

Vote 3

Provincial Treasury

	2023/24 To be appropriated	2024/25	2025/26
MTEF allocations	R340 674 000	R342 882 000	R349 004 000
Responsible MEC	Provincial Minister of Finance and Economic Opportunities		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

1. Overview

Vision

A responsive and inclusive Treasury that enables positive change in the lives of citizens.

Mission

Promotion of cohesion and citizen centricity.

Building capacity in the public sector by being adaptive, innovative and supportive.

Integrated management and partnerships that enable the delivery of quality services in a sustainable manner.

Core functions and responsibilities

The core functions, powers and responsibilities of the Provincial Treasury (PT) are captured in section 18 of the Public Finance Management Act (PFMA) and section 5 of the Municipal Finance Management Act (MFMA). To give effect to the Medium-Term Strategic Framework (MTSF) 2019 - 2024, Provincial Strategic Plan and the Western Cape Recovery Plan, the branches Fiscal and Economic Services and Governance and Asset Management will execute the following core functions and responsibilities:

Ensure the efficient and effective management of provincial and municipal financial resources;

Provide policy direction, facilitate and enforce the management of provincial financial systems and supply chain and moveable asset management systems within the provincial and municipal spheres; and

Promote accountability and financial governance within departments, entities and municipalities.

Main services

Within the legislative context of section 18 of the PFMA and section 5 of the MFMA, the main services provided by the Provincial Treasury include the following:

Transversally or Externally:

research, analyse and advise on the policy, strategy and management of provincial and municipal fiscal resources;

promote effective financial resource allocation, by providing socio-economic and policy research, analysis and advice that informs the preparation of the provincial and municipal budgets as well as the monitoring of budget implementation and performance;

compile credible and sustainable main and adjustment budgets, and to guide and monitor the efficient implementation thereof;

drive the implementation of the MFMA and assist and guide municipalities to prepare budgets and monitor the implementation thereof towards sustainable Local Government;

promote the delivery of new and maintenance of existing physical infrastructure;

render a client interface, data collation, data and information management and records management service to the PT;

provide policy direction and facilitate the management of supply chain and asset management practices;

provide for the implementation, management and oversight of provincially operated financial systems and transition to the Integrated Financial Management System (IFMS);

improve the application of accounting standards and financial reporting within municipalities;

drive financial governance reforms, the implementation of accounting practices and prepare consolidated financial statements; and

strengthen corporate governance within the Province through the implementation of risk management, internal audit and compliance with financial norms and standards.

Internally:

assist the member of the Provincial Cabinet with those functions as assigned by legislation and/or the Premier;

provide strategic and operational management support services; and

assist the Accounting Officer to drive financial management in the Department.

Demands and changes in service

PT supports thirteen (13) client departments and thirty (30) municipalities along with eleven (11) provincial entities, the Provincial Parliament and external suppliers. The PT faces rising pressure to provide fiscal and technical support to these partners as they respond to ongoing increases in demand for public services within a limited resource envelope. This continues to place added demands on provincial budgeting and financial management processes. Specific demands for energy disaster-related response are also placing pressure on supply chain and asset management systems and elevating the importance of effective financial governance and oversight to ensure optimal resource use. These pressures require the PT to continuously strengthen strategic, evidence-based public financial management practices.

During the 2023/24 financial year, PT will focus on unlocking the inherent value of good governance systems across departments, public entities, and municipalities through strengthening integrated service delivery and governance transformation to achieve inclusive growth. These themes will continue to gain momentum in the outer years of the 2023 MTEF.

The PT is accelerating the adoption of new digital technologies across its core mandates and service delivery processes. This is focussing both on driving efficiencies, and in expanding the transparency of public financial management. Digital transformation will enable the PT to maximise the value of the extensive data it currently manages, particularly through the alignment of existing data sets to support decision making and oversight. This will require not only the development of systems, but also of the skills sets of PT officials.

Acts, rules and regulations

The legislative mandate, within which the Provincial Treasury operates, consists primarily of the following of national and provincial legislation:

- Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)
- Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)
- Division of Revenue Act (Annual)
- Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)
- Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)
- Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
- Public Audit Act, 2004 (Act 25 of 2004)
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)
- Public Service Act, 1994 (Act 103 of 1994)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)
- Western Cape Appropriation Act (Annual)
- Western Cape Adjustments Appropriation Act(s) (Annual)
- Western Cape Direct Charges Act, 2000 (Act 6 of 2000)
- Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996)

Budget decisions

The budget for the Vote decreased by R2.790 million from the 2022/23 main estimate of R321.610 million to R318.820 million in the 2022/23 adjusted estimates which equates to a reduction of 0.87 per cent. The budget for the Vote increased by R21.854 million from R318.820 million in 2022/23 (revised estimate) to R340.674 million in 2023/24. This equates to an increase of 6.85 per cent. However, the allocation from the 2022/23 main estimate of R321.610 million to R340.674 million in 2023/24 only equates to an increase of 5.93 per cent.

The execution of the core functions and responsibilities of the PT requires mainly human resources therefore, Compensation of Employees represents R211.733 million or 65.2 per cent of the Vote's 2023/24 Budget.

In addition, the Department is prioritising the acceleration of digital transformation to enhance the quality, availability and responsiveness of services to clients. Attention will be directed to implementation of a

customer relationship management system, establishment of a PT Data Centre and Evergreen Legacy System initiatives. Key outputs of these three (3) initiatives are to ensure that employees are equipped with modern enterprise productivity solutions to enable efficient and effective service delivery, streamline electronic communication with citizens, suppliers and government stakeholders and improving the use of data for informed decision making.

Aligning departmental budgets to achieve government's prescribed outcomes

The Department's planning and budgeting were informed by national, provincial and municipal priorities. It aligns itself with National Priority 1: a capable, ethical and developmental state, whilst simultaneously enabling the attainment of all other priorities within the MTSF 2019 – 2024.

The WCG Provincial Strategic Plan 2019 - 2024 (PSP) remains the strategic guide for planning and budgeting for all departments and entities in the Western Cape. This plan has been adjusted to respond to the COVID-19 pandemic and its aftermath, through the WCG Recovery Plan. Although the core challenges and priorities have not changed, the WCG is focussed on four high level priorities of Growth for Jobs, Safety, Well-Being and Innovation, Culture and Governance.

PT has adopted a holistic, proactive and integrated approach as it strives to give effect to the governance priorities in the PSP and Recovery Plan. This focus is on "governance for results" in order to attain maximum citizen impact, placing citizens at the centre of its operations.

Key partners in the successful implementation of the above approach are departments and municipalities within the Western Cape, National Treasury (NT), the Auditor-General of South Africa (AGSA), the South African Local Government Association (SALGA), National Parliament and Provincial Parliament, assurance providers and other relevant stakeholders.

PT plays a very critical role in setting the tone for governance, scope for innovation and defining culture across the WCG. Much of what PT does, its strategic intentions, is to influence the efficacy of the other priorities: Safety, Well-Being and Growth for Jobs. In terms of the budget priorities, the frontier for PT is not so much understanding complex systems and being able to operate them, but to be able to drive change effectively and timeously at a system-wide level. The execution of change projects will impact the agenda of building good governance in the province.

The budget of the PT is aligned to the following Recovery Plan Priorities and Recovery Plan Focus Areas

Recovery Plan Priority	Recovery Plan Focus Areas
Innovation, Culture and Governance	Integrated service delivery: integrated planning, budgeting and implementation and citizen engagement.
	Citizen-centric culture: building employee capability and changing behaviour.
	Talent attraction, retention, and staff development.
	Governance transformation that creates public value, including digital transformation.
	Transversal foresight: building financial modelling, foresight and data capability.
Jobs	Increase skills and work placements.
	Boost provincial capital and roads infrastructure and public employment programmes.
Well-being	PERO and MERO on service delivery

PT's strategy is aimed at governance transformation and integrated service delivery focusing on those areas in the PT mandate and ensuring alignment with the provincial strategic plan.

The budget provides the resources to execute key projects and activities to achieve the above-mentioned priorities, focus areas and levers.

2. Review of the current financial year (2022/23)

Provincial Treasury rendered the following services to give effect to the policy priorities:

Public Policy Services

The Fiscal Policy Directorate is responsible for the overall fiscal framework in the Province and undertook research, revenue analysis, managed the provincial cash, banking and investment function, and reviewed and provided support on Local Government Cash Management.

The Unit conducted research and analysis on Provincial and Local Government Fiscal Policy matters that impacted on the fiscal framework of the Province. Fiscal Policy research informed the development of a sustainable Provincial and Local Government Fiscal Framework and the Provincial Fiscal Strategy focused on the national transfer system (Equitable Share and Conditional Grants), the Local Government fiscal system and domestic resource mobilisation initiatives with regard to existing and new own revenue sources. Work started on the Fiscal Futures project that will see the development of a modelling tool that will enable the WCG to plan future expenditures based on revenue expectations in light of potential national and provincial economic changes over a 10-year projection period.

The Unit was also responsible for the management of the Provincial Revenue Fund and for providing cash flow requirements of the Province. The Unit provided support initiatives, advice and guidance to departments and municipalities on revenue related and cash management matters, through the analysis and reporting on in-year cash flow and revenue performance.

The Unit also provided departmental oversight of the Western Cape Gambling and Racing Board (WCGRB). Lastly, the Directorate is responsible for the management of crafting the legislative amendments affecting the gambling sector. The Unit has appointed a service provider to undertake a comprehensive analysis of the potential imposition of taxes/charges under the proposed new legislative scheme applicable to casinos as set out in the Draft Legislation (Draft Western Cape twentieth and twenty-first Gambling and Racing Amendment Bills and Accompanying Draft Regulations) of June 2022.

The Provincial Government Budget Office engaged in economic policy and budget-related research, which informed the formulation of the provincial budget policy to ultimately recommend budget allocations in line with the strategic priorities outlined in the Western Cape Recovery Plan, the 2019 – 2024 PSP and other applicable policies.

The Provincial Economic Review and Outlook (PERO) was published September 2022 and it provided the economic and socio-economic intelligence that informed the planning and budgeting process in the WCG. The Western Cape Medium Term Budget Policy Statement (WC MTBPS), which was tabled together with the Adjusted Estimates of Provincial Expenditure in the Provincial Legislature in November 2022, provided the economic, fiscal and policy context within which the provincial budget is formulated. In addition, the WC MTBPS communicated the budget policy framework and budget priorities that support the delivery of the policies, programmes and projects of the WCG.

An overview of the main components of the 2023/24 provincial budget will be reflected in the Overview of Provincial Revenue and Expenditure and will include the Fiscal Strategy and Budget Policy Priorities of this government. The Directorate continued to focus on the effectiveness of programmes and projects in order to assess allocative efficiency, responsiveness and the effectiveness of the budget in terms of the policy and delivery context.

The Local Government Budget Office provided research, advice and analysis on the regional and local economy and provided economic intelligence that informs improved municipal planning and budgeting. The research and analysis culminated in the publication of the Municipal Economic Review and Outlook (MERO) and release of Socio-Economic Profiles (SEPs) in November 2022. The MERO comprised of six (6) documents, covering over 1 000 pages. The MERO, is a veritable treasure trove of invaluable insights, providing new data and analyses for each of our five (5) district municipalities, 24 local municipalities and the City of Cape Town.

The Unit also assessed the annual budgets of municipalities and provided recommendations to improve the responsiveness of budgets to address socio-economic and policy objectives.

The Unit also supported the municipal budget process by coordinating the Strategic Integrated Municipal Engagements (SIME). In addition, the Unit monitors the implementation of municipal budgets through the Service Delivery and Budget Implementation Plans (SDBIP) of municipalities.

Public Finance

Provincial Government Public Finance assessed provincial budgets to improve the credibility and sustainability of the budget and monitored the implementation of budgets to enhance accountability, efficiency and data integrity. Fiscal discipline is a central part of the Western Cape Fiscal Strategy and therefore the focus was on expenditure control within budget limits and stringent management of personnel budgets through headcount management. People management is of critical importance in the achievement of the strategic goals of the WCG, and close oversight of compensation spending is thus critical. The aim is to ensure structural appropriateness to enable and unlock maximum organisational effectiveness, in order to build an enabling culture that leads to citizen responsiveness that translates into continuous service delivery improvement and public value.

Expenditure reviews have been undertaken in partnership with the Provincial Budget Office, to provide insight into the budget allocation process and the evidence-based analysis to improve the cost effectiveness of public spending. Four (4) spending reviews were conducted in the 2022/23 financial year with the support of the skilled and technical Government Technical Advisory Centre (GTAC) support staff. Topics for 2022/23 was chosen using clearly defined criteria with the guidance of GTAC.

The 2022/23 topics, that were conducted with relevant departments are:

E-Learning - Western Cape Education Department;

Agency and support/outsourced services: doctors and nursing staff - Department of Health and Wellness;

Enhancing access to government services and information by vulnerable people through Thusong service centers and outreaches - Department of Local Government; and

Agricultural Producer Support and Development – Department of Agriculture.

The WCG's capacity to select, plan, appraise, and monitor infrastructure delivery was strengthened by the *Infrastructure unit* with a specific focus on maintenance and exploring innovative and alternative funding options for infrastructure project preparation and delivery. The strengthening and institutionalisation of the infrastructure governance delivery management system will enable integration and promote seamless delivery through a holistic approach of facilitating infrastructure delivery in the management of all aspects of the life cycle of immovable assets. The focus was aligned to the regulatory framework, the Infrastructure Delivery Management System (IDMS) implemented through the Framework for Infrastructure Delivery and Procurement Management (FIDPM). The Overview of Provincial and Municipal Infrastructure Investment (OPMI) was published in March 2023.

Business Information and Data Management (BIDM) rendered a client interface, data collation, data and information management and records management service to the Provincial Treasury and the three spheres of Government. The Unit continued to focus on the management of the centralised repository, thus providing a means for Provincial Treasury employees to enable proper decision making, safeguard information and facilitate the retention of information. The Unit furthermore facilitated and coordinated the departmental and municipal Medium-Term Expenditure Committee (MTEC) processes and the related document flow as well as the technically refined Treasury publications and working papers.

Local Government Public Finance facilitated and coordinated the implementation of the MFMA in Provincial Treasury and across municipalities in the Western Cape. This directly supported the Provincial Treasury strategic priority for "Effective Local Government". This work is also aligned to the game changers for local government endorsed by the Budget Council. Implementation of the MFMA was driven through Intergovernmental Relations (IGR) coordination between municipalities, provincial and national departments, as well as other related stakeholders. Key responsibilities included monitoring, support and intervention in respect of MFMA implementation, budget implementation and revenue and expenditure management. In support of strengthening municipalities' financial management and budgeting practices, the Unit analysed and reported on the in-year revenue and expenditure management of municipalities. The focus areas, in line with the Game Changers, facilitated integrated revenue management and funded budgets, including providing advice and support particularly to vulnerable municipalities to give effect to the sustainable Local Government agenda. Where municipalities are at risk of financial distress, additional guidance and support was provided, and where necessary Provincial Government assessed whether further intervention would be necessary. The Provincial Treasury supported the development and monitored the implementation of a financial recovery plan for Beaufort West municipality after it was placed under intervention – this work includes weekly oversight of the implementation of the recovery plan, hands on advice in cashflow committee meetings three (3) times a week and monthly and quarterly reporting. The Municipality adopted a budget consistent with the financial recovery plan and has maintained consistent payments to Eskom and successfully negotiated a repayment arrangement for arrear debt to Eskom.

Provincial and Local Government Supply Chain Management (SCM)

SCM is the foundation that enables Government to implement policy. The primary function of public procurement is procuring goods and providing services and infrastructure on the best possible terms to fulfil government's mandate. It also has a secondary function to promote broader social, economic and environmental outcomes. Public procurement is therefore an important lever to improve the impact of public expenditure. Purchasing and procurement by the Province must enable progress on provincial priorities of Jobs, Safety and Wellbeing, which includes the preservation and creation of private sector jobs. In support of Vision-Inspired Priority 5, the further implementation of the WCG's Supply Chain Management (SCM) reform strategy has played a critical role in sustaining financial capability maturity and strengthening compliance with governance requirements in the Province.

This is in line with government's overall strategy to continuously improve value for money, enhance competition between suppliers, and provide businesses with a convenient and effective medium to do business with the WCG.

Key priorities were thus to: maintain a resilient SCM governance platform focused on continuous service delivery improvement; leveraging data for analysis and transparency; and enhancing the ease of doing business with WCG procurement by reducing red tape and improving access to procurement opportunities.

In order to maintain a resilient governance platform with a primary focus on continuous service delivery, it was critical to ensure that highly regulated and inefficient policy environments do not stifle government procurement. These included:

- ensuring that goods and services are purchased under the constitutional mandate of Section 217(1), in a fair equitable, transparent, competitive and cost-effective manner, with due regard to the subsidiary objectives in Section 217(2) that allow for categories of preference in the allocation of contracts;

- having a clear focus and involvement in national procurement policy development and prescripts issued to ensure that they are rational, implementable and economically viable; and

- leveraging technology to build a robust, re-imagined and responsive post-pandemic supply chain, that is cost effective, efficient, equitable and transparent.

The Provincial Treasury has rolled out in a phased-in process its in-house developed e-Procurement Solution (ePS), which is a major asset that will be expanded further to drive procurement efficiencies and embed good governance.

The WCG has implemented an automated procurement planning toolkit. All departments have transitioned to the automated procurement planning toolkit and hence the Provincial Treasury is able to produce a provincial procurement plan as well as view progress on departmental plans. This automated procurement planning toolkit enables departments to efficiently plan their procurement programmes and generate efficiencies in delivery and reporting.

The PT has supported and built procurement capacity and capability across departments focusing through ongoing programmes of support for provincial departments, public entities, municipalities and suppliers geared at addressing gaps, introducing improvements and maintaining a sustainable platform of institutional memory for our clients. This focussed on making sustainable procurement choices that account for the full value of a service or product over its whole lifecycle, including the costing of social and environmental risks and opportunities. Initiatives that were driven through this approach included specific commodity sourcing strategies, such as the provincial security strategy and provincial framework contract.

The analysis of data extracted from systems and the use of business intelligence tools provided performance information to provincial departments to support SCM governance and improve management decision making.

The monthly Procurement Disclosure Report has been progressively expanded on COVID-19 procurement information across provincial departments and public entities. The WCG incrementally increased transparency in procurement to disclose further procurement information as we build on the datasets and information-processing capabilities utilised to produce this information to the public with the intent to afford greater transparency and value for money in provincial procurement.

Procurement Disclosure Reporting expanded its capability in addition to the quarterly performance indicators to showcase provincial initiative/s that enables either one or more of the WCG policy priorities as it relates to jobs, safety and wellbeing.

From a broader procurement context these initiatives have a strategic supply chain management focus which includes accelerating the ease of doing business with WCG by reducing red tape and improving access to provincial procurement opportunities and may amongst others include process efficiencies as well as value for money. The introduction of strategic sourcing was identified as a mechanism to achieve value for money in procurement through strategic procurement management; realisation of process improvements to ensure service delivery efficiencies; promote better procurement planning and improve decision making.

Value for money through procurement was a key focus in determining how the Province utilises resources through procurement, effectively, economically and without waste, with due regard for the total costs and benefits and the contribution to the outcomes that each procuring entity is wanting to achieve. This was also aimed at striking a balance between economy, effectiveness and efficiency as a way of thinking in using resources optimally. Enhancing the ease of doing business included a range of initiatives focused on red tape reduction and improving access to procurement opportunities and support for suppliers. This promoted small business, enabled job creation and encouraged continuous learning and development within supply chains through the use of technology as an enabler via the Western Cape e-Procurement Solution and Supplier Evidence Bank and redress through the Western Cape Procurement Client Centre.

Service delivery improvement through continuous and dynamic programmes of support for provincial departments and their entities, municipalities and suppliers has focused on addressing gaps, continuous improvement and maintaining a sustainable platform for institutional memory for our clients to ensure replicable governance processes and continuous growth and improvement. These included initiative like SCM fora LED-SCM Indabas; SCM Fora and Supplier Development Summits; SCM and Internal control enablement; Programmes of Support inclusive of training, Collaborative capacitation and development programmes with key stakeholders that aimed to establish uniformity of practice through various governance models, tools, Standard Operating Procedure (SOP) videos, Frequently Asked Questions (FAQs) and helpdesk support for departments, public entities, municipalities and suppliers.

Further Local Government SCM initiatives included eProcurement Solution and Supplier Evidence Bank enablement; procurement planning toolkits; strengthening procurement planning and undertaking research on strategic sourcing opportunities within municipalities; and a key focus on asset management capacitation and development.

Supporting and interlinked Financial Systems

The WCG currently operates several transversal systems administering its corporate services i.e. Supply Chain Management, Human Resource Management, Financial Management, Payroll and Business Intelligence. However, many of these systems are based on aging technologies. Furthermore, these systems are not fully integrated and there are duplicated functionalities across systems. Given the challenges experienced above, National Cabinet approved the development of the Integrated Financial Management System (IFMS) on 14 September 2005.

The timelines for the implementation of an IFMS are constantly moved which creates a level of uncertainty. The WCG remains a lead site for the eventual implementation of the IFMS when that event occurs.

Supporting, Modernisation and Maintenance of the Provincial Financial Systems as part of the Evergreen Legacy Systems strategy

This process entails making incremental improvements to the Legacy systems to complement it with modern data technologies to enhance the capability of the systems. The Evergreen Legacy System Project aims to achieve amongst others:

- Enhance the capacitation and system reform change management activities;

- Ensure quality recording and analysis of calls logged; and

- Improved usage of system functionality of PT related to the financial systems.

Improved data quality and forecasting capabilities and Information management through implementation of artificial intelligence to enable Business Intelligence (BI) reporting and financial management dashboards

Data is crucial in all government departments; therefore, an integrated data centric approach on an organizational level is required. There is a need with WCG for a data-driven culture that bases every strategy on data insights. The PT established its own data centre which enabled this Department to partake in the 4th industrial revolution and introduced cutting edge technologies such as Machine Learning and Artificial intelligence to produce self-service reports which included the following during the 2022/23:

Enhancement In-year monitoring tool (IYM) and KITSO reporting tools;

CoE and PERSAL oversight reporting tools; and

Asset management reporting & dashboards.

Systems training and capacitation

Capacitated and trained system users and organisational change management in practice. It is expected of Provincial Departments to ensure that all new system users are nominated for training on the LOGIS, BAS, and PERSAL systems within a period not exceeding six (6) months after access has been granted on these systems. E-learning and online training tools have now been added as part of the additional learning approaches to improve learning outcomes on the Financial Systems.

Corporate Governance

Corporate Governance embedded good governance through financial management improvement and capacity building initiatives for the departments, entities and municipalities. Corporate governance within the Province was strengthened through the implementation of risk management, internal audit and compliance with financial norms and standards. The Unit coordinated and drove the good financial governance agenda in the local sphere of Government, thereby enhancing good governance practices across various disciplines to achieve continuous improvement in governance and performance. To this end, the annual Technical Integrated Municipal Engagement (TIME) focuses on proactively identifying and responding to key governance and performance challenges and risks in relation to implementation of municipal strategic and operational plans. The focus of the TIME engagements was governing for Growth.

These engagements have included a dedicated item on municipal energy responses, with each municipality presenting on how load shedding has impacted them and what they are doing to respond. This has produced a wealth of information shared with all stakeholders i.e., best practices, challenges experienced, possible solutions, stakeholder consultation etc. The Province's Municipal Energy Resilience (MER) team has also used the opportunity to brief municipalities on the Province's response.

Critical to good governance is effective leadership, oversight and accountability. The coordination of the inaugural Provincial Budget and Governance Forum, established by the Provincial Minister of Finance and Economic Opportunities, Mireille Wenger, brings together Mayoral Committee Members responsible for Finance from municipalities across the Western Cape, to enable coordinated action by "Team Finance" in the Province. The forum will serve as a platform for decision making, debate and to provide guidance on an executive level regarding economic and fiscal policy, leveraging off the work/discussions from the various forums on an administrative level e.g., CFO forum.

The capabilities of provincial and municipal officials have been developed to sustain improved financial governance practices and concomitantly, financial performance. The focus was on delivering an Integrated Talent Management Programme that is responsive to skills required by departments and municipalities to assist in developing their skills pipeline. Identification of training needs and support initiatives were coordinated and implemented to build the capabilities of financial officials in the areas of risk management, internal audit and financial management. Established forums such as the Chief Risk

Officer and Chief Audit Executive (CAE) fora were used to drive norms and standards relating to risk management and internal audit practices towards improved systems of internal control.

Provincial and Municipal Accounting

The mission is to drive accountability through the review of financial reporting of departments, entities and municipalities and embedding adherence to sound governance practices. This was further entrenched by considering compliance with financial norms and standards through the establishment of sound financial governance within the provincial and municipal spheres. Its measurement is continually evaluated to achieve, maintain and sustain the highest level of governance. The work plan required continuous improvement to ensure the quality and integrity of financial accounting and reporting to fully reflect all transactions, events, assets and liabilities owned or owed by the Western Cape Government.

Furthermore, the desired outcome was to ensure the user is enabled to make the appropriate decisions by understanding the narrative behind the reporting instruments. In terms of section 18 of the PFMA and section 5 of the MFMA, PT must set the norms and standards for financial management and may assist with the implementation thereof, thereby improving efficient and economic utilisation of resources. The outcome indicator was chosen based on the assumption that financial governance and accountability are the cornerstone for developing a capable state, which is required to enable service delivery and transformation. The main goal would be to guarantee that our governance efforts result in better service delivery to Western Cape residents. As a result, ongoing and annual reviews of the state of governance in all Western Cape institutions were done to ensure that they remain effective, efficient, and responsive to citizens' demands.

3. Outlook for the coming financial year (2023/24)

Key areas of focus and delivery for the 2023/24 financial year mainly entail the following:

Programme 2 - Sustainable Resource Management

Fiscal Policy

Present a research base allowing for intergovernmental discussion for integrated planning, budgeting and implementation.

Strengthen oversight of Provincial administrative data used in intergovernmental planning.

Advance long term fiscal futures modelling and planning.

Monitor provincial and municipal revenue and cash flows in order to encourage efficient and effective collection of own revenue and cash flows for Integrated planning, budgeting and implementation.

Monitor the performance of the Western Cape Gambling and Racing Board (WCGRB) in order to promote integrated planning, budgeting and implementation.

Undertake a Regulatory Impact Assessment (RIA) pertaining to Gambling legislation, being informed by the background research already undertaken as well as the revision of the Western Cape Gambling and Racing Twentieth and Twenty-First Gambling and Racing Amendments. The RIA process will assist in identify regulatory gaps in current legislation as well as identifying potential regulatory improvements should these be required. After which PT will draft a proposed Green Paper informing the Province's position around Gambling Policy.

Provincial Government Budget Office

Improve allocative efficiency, responsiveness of the budget to socio-economic needs, budget policy objectives and national and provincial priorities.

Provide the strategic direction and policy framework that informs the provincial budget through the publication of the Provincial Economic Review and Outlook (PERO), Medium Term Budget Policy Statement (MTBPS) and the Overview of Provincial Revenue and Expenditure (OPRE).

Local Government Budget Office

Improve the allocative efficiency and responsiveness of municipal budgets and make recommendations for improvement.

Perform periodic in-year assessments on the performance of municipal budgets.

Provide credible and relevant social and economic development information to inform municipal planning and budgeting processes within the Province through the Municipal Economic Review and Outlook (MERO).

Provide a municipal-specific, point-in-time snapshot of an extensive array of economic and social variables that influence and shape the socio-economic reality of individual households through the Socio-Economic Profiles for Local Government (SEP-LGs). The information feeds into municipal integrated development plans (IDPs) that ultimately informs integrated municipal planning, budgeting and the prioritisation of municipal services.

Provincial Government Finance

Determine whether provincial budgets are in line with the regulatory framework and allocation letters, based on previous expenditure trends, capacity to spend and that the input mix (economic classification) is realistic to achieve the stated outputs.

Understand and identify expenditure trends or any potential efficiency gains on selected expenditure items or delivery of particular integrated services.

Provide oversight information (financial and non-financial information) on the implementation of the provincial budget (Estimates of Provincial Revenue and Expenditure) and the Annual Performance Plans.

Publication of the provincial budget as well as the adjusted budget during the financial year.

Local Government Finance and MFMA Coordination

Facilitate and co-ordinate the implementation of the MFMA in order to improve intergovernmental relations (IGR) and coordination within and across Provincial Treasury, other departments, and relevant stakeholders to improve conformance and performance in municipalities.

Facilitate improved coordination and administration of conditional grants transferred from the Province to municipalities, in line with the recommendations of the Provincial Treasury's grant review.

Assess draft municipal budgets to improve conformance, credibility, and financial sustainability. Provide advice to municipalities facing financial challenges and respond to financial crises through the mechanisms provided in the Municipal Finance Management Act (No. 56 of 2003).

Monitor the implementation of municipal budgets in terms of conformance, accountability, data integrity, sustainability and efficiencies.

Consolidate IYM reports on the municipal financial performance to reflect on the state of the municipalities budget performance.

Report quarterly to Cabinet on the state of municipalities' budget performance.

Oversee support and, where necessary, interventions to address financial challenges in municipalities.

Infrastructure

Assess the quality of Immovable Asset Management Plans of the relevant Institutions.

Assess the quality of Infrastructure Programme Management Plans and Infrastructure Programme Implementation Plans from the relevant Institutions.

Monitor and report on infrastructure expenditure in the Province, highlight risks, and assess whether mitigation mechanisms proposed by the relevant Institutions are adequate and are being implemented as proposed.

Provide an overview of the provincial and municipal infrastructure in the Province over the MTEF through the publication of the OPMII.

Assess the Human Resource Capacitation of the relevant Institutions in line with the Division of Revenue Act and Human Resource Capacitation Circular published by National Treasury.

Assess applications from Institutions for the funding of projects through the Project Preparation Facility, to improve project preparation processes in order to create a credible pipeline of projects in the Province.

Assess Service Delivery Agreements of relevant Institutions between the client and implementer/s in accordance with the IDMS and FIDPM as per Module 2 of the One IDMS.

Build the required infrastructure capacity of Provincial Treasury as per the DPSA Circular 45 of 2020 dated 8 December 2020 to enable Provincial Treasury to fulfil its infrastructure mandate, among others, to establish a credible infrastructure investment pipeline and to explore alternative funding/ financing options.

Business Information and Data Management

Process data from periodic reporting formats as well as from raw data sourced from various systems into information datasets to inform evidence based Provincial Treasury decision-making.

Illustrate the timelines and internal deadlines of the various MTEC processes within Provincial Treasury. This in turn can provide for better planning and implementation of budget processes.

Programme 3 – Asset Management

Supply Chain Management (SCM)

Continue to maintain a resilient SCM governance platform that is focused on service delivery improvement outcomes for provincial departments.

Leveraging data for analysis and transparency by analysing data extracted from systems and using business intelligence tools to provide performance information to provincial departments to support governance requirements and management decision making. This includes transparency initiatives like the Procurement Disclosure Reports and performance reporting to departments like the SCM Insight Reports, Quarterly Client Support Reports and Quarterly Reports on Strategic Sourcing Interventions undertaken to attain value for money and/or efficiency gains within the province.

Enhance the ease of doing business with WCG procurement by improving access to procurement opportunities through our in-house developed e-Procurement System and Supplier Evidence Bank and via the support provided to our clients by the Procurement Client Centre (PCC).

Utilise the PCC to provide an enabling environment for support, assistance, and guidance to our clients and to create a responsive supplier base that meets the WCG's procurement and asset management needs through our established Programmes of Support. Identify opportunities for efficiencies in purchasing and leveraging buying within municipalities and/or districts to identify strategic sourcing opportunities which will contribute to value for money purchasing.

Assess, promote and enforce effective and prudent financial management through SCM and Asset Management, and ensuring that the entire SCM cycle is applied and that the practices of municipalities are sound and promote governance, transparency and accountability.

Use technology as an enabler to improve and address inefficiencies in municipal purchasing and asset management.

Build on the existing strategy initiatives that addresses the gaps or needs of provincial departments and municipal districts to improve financial management performance for SCM and Asset Management (AM) within the Province.

Develop preferential procurement strategies emanating from a technical review of the existing procurement system that has a socio-economic benefit and/or meets the needs of citizens and that results in value for money purchasing.

Supporting and Interlinked Financial Systems (SIFS)

Effective management of transversal systems and veracity of data.

Ensure optimal, efficient utilisation of the Transversal Financial System and promote innovation.

Improve financial system reporting and help with decision making in departments.

Rationalising the suite of financial systems related applications in conjunction with the Centre for Innovation (Cel).

The Provincial Treasury has partnered with the WCG Centre for e-Innovation to strengthen its Application Portfolio Management (APM) across the WCG. This will start with an assessment of the current state of applications supporting the financial systems in all Votes. The APM approach intends to scale and mainstream innovations, automation and digital initiatives identified in departments that may benefit all other WCG departments. This process will also assist in rationalising all financial systems, reducing systems with duplicated functionalities, and reduce the cost of supporting and maintaining such systems.

Data is crucial for every enterprise and for every department within it, gaining a better understanding of the officials' data journey in relations to finance teams running forecasts, logistics enabling an integrated data centric approach on an organizational level is required. To run this kind of data-powered enterprise, it's not enough just to use data as another tool. A data-driven culture based on data insights was developed and will be driven through the Provincial Treasury Data Centre (PTDC). This should be viewed as an investment in the formulation of a data and business centric business intelligence solution that will build a modern Data Warehouse that can handle both relational and non-relational data in real time, providing an analytic engine for predictive analytics.

Programme 4 – Financial Governance

Local Government Accounting

To enhance the fiscal maturity of municipalities, we will continue to increase the levels of comprehension among key stakeholders so that decisions can be made with the most pertinent data. We will continue to engage councillors on the topic of consequence management and increase our efforts to assist municipalities in managing unwanted expenditures. This will be done in collaboration with other local

government stakeholders; the major focus being on reducing unwanted expenditure, or even completely eliminating it.

Assist municipalities to improve compliance with relevant GRAP, MFMA and mSCOA reporting requirements.

Ensure integrity of data submitted by municipalities to NT. Gradually, the teams are analysing the data to identify key risk and to enhance effective monitoring of the municipalities. More energy will be expended in driving data analytics using the National Treasury databases.

Provincial Government Accounting and Compliance

Maintain the high standards of financial reporting and financial governance across departments and public entities. Ensuring we continue on the path of continuous improvement by improving the financial management capability of departments. We will further aim to bring alignment to the assurance functions, both in an oversight responsibility, and as part of driving financial governance.

Improve the system of internal control within departments through oversight, support and streamlining of processes. Continue to assess votes against the applicable accounting frameworks and norms and standards requirements to achieve higher levels. We will continue to increase our efforts to ensure that all transactions are presented in a manner that will ensure decision making is based on credible information and the information presented is easy for anyone to understand.

Publication of the consolidated financial statements, with an increased penchant for improved understanding of this provincial publication.

Continue to improve and create value in the internal control governance and Irregular Expenditure (IE) management within departments and public entities through constant support, guidance, and the streamlining of processes where practical for consistency.

Corporate Governance

Coordinate the annual integrated governance assessment per municipality to improve financial governance in municipalities.

Coordinate and support municipalities with skills development and capacitation through an integrated capacitation approach.

Ensure the implementation of enterprise risk management, as per the NT risk frameworks, and internal audit, as per the National Treasury Internal Audit Framework, Institute of Internal Auditors (IIA) standards and other NT guidelines.

Ensure that the departmental and municipal financial legislative framework addresses any possible lacuna and thereby strengthening good governance through compliance thereto and to improve the levels governance in departments and municipalities.

Continue to enhance the skills pipeline to strengthen financial management competencies within departments, through the effective execution of the accredited training programme of South African Institute of Chartered Accountant (SAICA). We will also engage other professional bodies to add to the skills and competencies of our existing talent pool.

Continue to increase the interface between the Minister for finance and her counterparts, i.e. the Mayco members for finance in the western cape local government sphere.

4. Service delivery risks

The deterioration in the global and domestic economic outlook is the biggest risk to the recovery of public finances, including structural constraints such as the inconsistent supply of electricity, the failure of State-Owned Enterprises and the economic effects of financing the public sector wage bill. Notwithstanding the risks posed by global geopolitical events and natural disasters, higher-than-expected global inflation could lead to higher global interest rates, affecting debt levels, debt-service costs and the exchange rates. Higher inflation will erode purchasing power and will increase the cost of delivering government services and likely lead to increasing wage demands over the short term.

Due to climate change being registered as a global and national crisis, PT noted the importance of a coordinated response from the WCG. From a governance perspective, PT continues to include “addressing the effects of climate change” as a budget theme for the 2023/24 budget process.

Energy insecurity remains a concern to the Province from an economic and socio-economic perspective. The Province has faced rolling blackouts resulting from insufficient generation capacity, which is likely to continue into the medium term and beyond, with deep economic and social impacts. Reduced supply of electricity will lower the potential economic growth path of the country as well as that of the Western Cape, as investment and business confidence deteriorate. For the immediate future, there appears to be a substantial risk of load shedding, while the scale and frequency of load shedding over the medium term remains uncertain.

While driving infrastructure development remains a key factor for economic growth, there remains a need for improved infrastructure management at national, provincial, and municipal level. Maximum benefit derived from the investment in provincial and municipal infrastructure is negatively impacted by challenges, which include: the misalignment of infrastructure.

planning and coordination across the spheres of government; ageing infrastructure and the lack of maintenance; and reduced allocations of capital infrastructure stemming from national and provincial government due to the bleak economic outlook. Moreover, several key provincial economic objectives are contingent upon well-functioning national enablers such as efficient and effective freight movement and market conducive regional and international terms of trade.

5. Reprioritisation

As people are the most important resource required to deliver our vision therefore the biggest portion (sixty-five (65) per cent) of the budget is allocated to compensation of employees. Thereafter the Department prioritised projects where contracts exist to ensure that all contractual obligations are met.

Through the budget, PT will continue to attain the strategic priorities of the Provincial Treasury as well as implement the four (4) pillars of the Western Cape Fiscal Strategy of protecting basic services outcomes, unlocking allocative efficiency, enhancing productive efficiency and enabling long-run fiscal sustainability across the departments, with municipalities and with the national organs of state operating within the Western Cape.

6. Procurement

In the 2023/24 financial year, PT will continue to ensure that its procurement is effectively planned to support efficient service delivery and value for money. An Annual Procurement Plan (APP) will be compiled via the automated procurement toolkit. Progress will be updated quarterly. This will ensure that procurement projects are initiated timeously to prevent delays, and timely interventions can be made where necessary.

PT will enter into contracts for commodities that are procured regularly to lower cost, ensure achievement of value for money and efficiency.

7. Receipts and financing

Summary of receipts

Table 7.1 below depicts the sources of funding for the vote.

Table 7.1 Summary of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- priation 2022/23	Adjusted appro- priation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Treasury funding										
Equitable share	28 258		280 607	315 532	312 742	309 642	333 633	7.75	339 794	348 912
Financing	571	172 257	1 770	5 998	5 998	5 998	6 957	15.99	3 000	
Provincial Revenue Fund	571	172 257	1 770	5 998	5 998	5 998	6 957	15.99	3 000	
Provincial Revenue Fund (Tax Receipts)	293 865	85 409								
Total Treasury funding	322 694	257 666	282 377	321 530	318 740	315 640	340 590	7.90	342 794	348 912
Departmental receipts										
Sales of goods and services other than capital assets	40	43	36	17	17	33	18	(45.45)	18	19
Transfers received				1	1		1		1	1
Interest, dividends and rent on land	4	6	20	1	1	3	1	(66.67)	1	1
Sales of capital assets	85	1				67		(100.00)		
Financial transactions in assets and liabilities	5 942	19 677	7 565	61	61	3 077	64	(97.92)	68	71
Total departmental receipts	6 071	19 727	7 621	80	80	3 180	84	(97.36)	88	92
Total receipts	328 765	277 393	289 998	321 610	318 820	318 820	340 674	6.85	342 882	349 004

Note: Tax Receipts for gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. V03: Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).

Summary of receipts:

Total receipts allocated to Vote 3 increased by R21.854 million or 6.85 per cent from R318.820 million (revised estimate) in 2022/23 to R340.674 million in 2023/24. This is mainly because of the provision for the filling of vacant posts, the modernisation of office space and specific budget policy programmes.

Treasury funding of which:

Equitable share allocations will amount to R333.633 million in 2023/24, R339.794 million in 2024/25 and R348.912 million in 2025/26.

Financing comprises of R3.576 million of total financing for 2023/24 which is a reallocation of 2021/22 unspent funds for the modernisation of office space, R381 000 which is a reallocation of the 2022/23 unspent funds in respect of Municipal Interventions to aid municipalities where conditions exist for provincial interventions and lastly, the Vote is receiving R3 million to support the process of identifying, formulating and implementing Supply Chain Management reform including the procurement data centre.

Details of departmental receipts:

The departmental own receipts decreased from R3.180 million in 2022/23 (revised estimate) to R84 000 in 2023/24. In 2022/23, the departmental receipts mainly relate to the recovery of previous year's unspent provincial grants by municipalities. The source of departmental receipts over the 2023 MTEF relates to the sale of goods and services other than capital assets and financial transactions in assets and liabilities.

Donor funding (excluded from vote appropriation)

None.

8. Payment summary**Key assumptions**

No provision for the Improvement of Conditions of Service were made, except the 1.5 per cent pay progression provision in each financial year and the carry through effect of the 2022 Adjusted Estimates. Medical allowance was increased by the Consumer Price Index Inflation (CPI) plus 4 per cent and Housing allowance was increased by CPI in each financial year.

Programme summary

Table 8.1 indicates the budget or estimated expenditure per programme and Table 8.2 per economic classification. Details of the Government Financial Statistics (GFS) economic classifications are annexed hereto in Table A.2.

Table 8.1 Summary of payments and estimates

Programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
1. Administration	58 257	51 594	55 508	59 260	62 133	62 133	67 069	7.94	57 847	64 821
2. Sustainable Resource Management	137 338	115 847	112 035	144 237	127 979	127 979	139 156	8.73	151 357	156 896
3. Asset Management	65 393	59 518	71 326	76 374	76 937	76 937	89 576	16.43	89 171	82 328
4. Financial Governance	67 777	50 434	51 129	41 739	51 771	51 771	44 873	(13.32)	44 507	44 959
Total payments and estimates	328 765	277 393	289 998	321 610	318 820	318 820	340 674	6.85	342 882	349 004

Note: Programme 1: MEC total remuneration package: R2 037 129 with effect from 1 April 2021.

Summary by economic classification

Table 8.2 Summary of payments and estimates by economic classification

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Current payments	243 360	224 944	241 439	264 780	261 608	261 263	292 347	11.90	292 483	292 681
Compensation of employees	185 805	184 513	188 819	206 682	200 277	200 195	211 733	5.76	220 492	225 122
Goods and services	57 555	40 431	52 620	58 098	61 331	61 068	80 614	32.01	71 991	67 559
Transfers and subsidies to	79 876	50 733	44 327	51 476	48 298	48 580	46 131	(5.04)	48 355	50 317
Provinces and municipalities	37 576	15 788	14 788	21 152	19 498	19 498	17 760	(8.91)	21 260	22 123
Departmental agencies and accounts	37 669	27 751	26 264	27 008	25 084	25 084	26 871	7.12	24 595	25 694
Households	4 631	7 194	3 275	3 316	3 716	3 998	1 500	(62.48)	2 500	2 500
Payments for capital assets	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Machinery and equipment	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Payments for financial assets	62	68	51		237	268		(100.00)		
Total economic classification	328 765	277 393	289 998	321 610	318 820	318 820	340 674	6.85	342 882	349 004

Infrastructure payments

None.

Departmental Public Private Partnership (PPP) projects

The Provincial Treasury does not have any departmental Public Private Partnership (PPP) projects.

The Provincial Treasury's oversight responsibilities for PPPs within the Province are housed under Sub-programme: Public Finance (Element: Infrastructure).

Transfers

Transfers to public entities

Table 8.3 Summary of departmental transfers to public entities

Public entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Western Cape Gambling and Racing Board	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Total departmental transfers to public entities	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685

Note: The Western Cape Gambling and Racing Board (WCGRB) falls within the oversight responsibilities of the Provincial Treasury.

Transfers to other entities

Table 8.4 Summary of departmental transfers to other entities

Entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
South African Broadcasting Corporation (SABC)	6	7	8	8	8	8	9	12.50	9	9
Total departmental transfers to other entities	6	7	8	8	8	8	9	12.50	9	9

Transfers to local government

Table 8.5 Summary of departmental transfers to local government by category

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Category A	610	300	250		883	883	1 000	13.25		
Category B	29 432	11 780	12 038		14 705	14 705	8 427	(42.69)		
Category C	7 534	3 708	2 500		1 500	1 500	500	(66.67)		
Unallocated				21 152	2 410	2 410	7 833	225.02	21 260	22 123
Total departmental transfers to local government	37 576	15 788	14 788	21 152	19 498	19 498	17 760	(8.91)	21 260	22 123

Note: Refer to Table A.4- Transfers to local government by transfers/grant type, category and municipality for further detail.

9. Programme description

Programme 1: Administration

Purpose: To give strategic direction and to provide quality financial and other support services to the Minister and the Head of Department.

Analysis per sub-programme

Sub-programme 1.1: Office of the Minister

to assist the member of the Provincial Cabinet with those functions as assigned by legislation and/or the Premier

Sub-programme 1.2: Management Services

to provide strategic and operational management support services

Sub-programme 1.3: Financial Management

to assist the Accounting Officer to drive financial management in the Department

Policy developments

Policy development that will receive further attention in 2023/24 is:

Implementation of the Preferential Procurement Regulations, 2022.

Changes: Policy, structure, service establishment, geographic distribution of services, etc.

Following the move of identified support functions from the Directorate: Business Information and Data Management (BIDM), the organisational design and staff establishment of the Directorate: Strategic and Operational Management Support (SOMS) is being reviewed to correct the placement within the Directorate: SOMS. This may result in changes to the structure of the Directorate: SOMS.

Outcomes as per Strategic Plan

Programme 1: Administration

Financial and Corporate governance improved.

Outputs as per Annual Performance Plan

Sub-programme 1.2: Management Services

Monitoring and evaluation system.

Strategy Execution Office Report.

Communication (plan) Implementation Report.

Sub-programme 1.3: Financial Management

Monitoring of Expenditure against the Budget.

Complete and proper records of financial affairs in accordance with prescribed norms and standards.

Identification of risks and key areas of concern regarding preparation of financial and non-financial reports and compliance with applicable legislation.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

Table 9.1 Summary of payments and estimates – Programme 1: Administration

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
1. Office of the Minister	5 704	6 562	6 641	6 917	7 031	7 043	6 993	(0.71)	6 901	6 961
2. Management Services	24 216	22 429	22 689	25 280	23 596	23 584	26 424	12.04	25 558	28 028
3. Financial Management	28 337	22 603	26 178	27 063	31 506	31 506	33 652	6.81	25 388	29 832
Total payments and estimates	58 257	51 594	55 508	59 260	62 133	62 133	67 069	7.94	57 847	64 821

Note: Sub-programme 1.1: MEC total remuneration package: R2 037 129 with effect from 1 April 2021.

Sub-programme 1.3: Corporate Services and Sub-programme 1.5: Internal Audit as per the National Treasury uniform budget and programme structure, is not utilised as it is centralised with the Department of the Premier (Corporate Services Centre/CSC).

Table 9.1.1 Summary of payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Current payments	49 876	48 460	50 428	51 398	51 826	51 763	63 364	22.41	53 294	56 306
Compensation of employees	37 518	37 250	37 002	39 724	38 879	38 889	43 530	11.93	43 812	46 240
Goods and services	12 358	11 210	13 426	11 674	12 947	12 874	19 834	54.06	9 482	10 066
Transfers and subsidies	2 852	1 418	848	2 508	1 393	1 393	1 509	8.33	2 509	2 509
Departmental agencies and accounts	6	7	8	8	8	8	9	12.50	9	9
Households	2 846	1 411	840	2 500	1 385	1 385	1 500	8.30	2 500	2 500
Payments for capital assets	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Machinery and equipment	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Payments for financial assets	62	68	51		237	268		(100.00)		
Total economic classification	58 257	51 594	55 508	59 260	62 133	62 133	67 069	7.94	57 847	64 821

Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Transfers and subsidies to (Current)	2 852	1 418	848	2 508	1 393	1 393	1 509	8.33	2 509	2 509
Departmental agencies and accounts	6	7	8	8	8	8	9	12.50	9	9
Departmental agencies (non-business entities)	6	7	8	8	8	8	9	12.50	9	9
South African Broadcasting Corporation (SABC)	6	7	8	8	8	8	9	12.50	9	9
Households	2 846	1 411	840	2 500	1 385	1 385	1 500	8.30	2 500	2 500
Social benefits	462	99	32		62	66		(100.00)		
Other transfers to households	2 384	1 312	808	2 500	1 323	1 319	1 500	13.72	2 500	2 500

Note: Social benefits mainly relates to leave gratuity paid out to former employees of the Department
Other transfers to households refer to the external bursary programme

Expenditure trends analysis

The Programme's budget increased by R4.936 million from the 2022/23 revised estimate of R62.133 million to R67.069 million in 2023/24 which equates to a growth of 7.94 per cent. The increase mainly relates to the provision for the modernisation/refurbishment of office space.

Programme 2: Sustainable Resource Management

Purpose: To ensure the efficient and effective management of provincial and municipal financial resources.

Analysis per sub-programme

Sub-programme 2.1: Programme Support

to provide management and administrative support to the programme

Sub-programme 2.2: Fiscal Policy

to research, analyse and advise on the policy, strategy and management of provincial and municipal fiscal resources

Sub-programme 2.3: Budget Management

Provincial Government Budget Office

to promote effective financial resource allocation, by providing socio-economic and policy research, analysis and advice that informs the preparation of the provincial budget, as well as the monitoring of budget implementation and performance

Local Government Budget Office

to promote effective financial resource allocation and provide socio-economic policy research, analysis and advice that inform the preparation of municipal budgets and monitor budget implementation

Sub-programme 2.4: Public Finance

Provincial Government Finance

to compile a credible and sustainable main and adjustment budget, and to guide and monitor the efficient implementation thereof

Local Government Finance (Groups 1, 2 and MFMA Coordination)

to drive the implementation of the MFMA and assist and guide municipalities to prepare budgets and monitor the implementation thereof towards sustainable local government

Infrastructure

to promote the delivery of new and maintenance of existing physical infrastructure

Business Information and Data Management

to render a client interface, data collating, data and information management and records management service to the PT

Policy developments

Policy developments that will receive further attention in 2023/24 are:

The Western Cape Government has prioritised jobs, safety and wellbeing, together with responding to the energy crisis. Under the jobs priority, Growth for Jobs (G4J) has become a core focus. The PT has undertaken significant work to align budget processes and outcomes to the three (3) interlinked priorities and has aligned the budget to these priorities. PT has taken an integrated approach to provincial governance and budgeting. This will enable Government to function efficiently and effectively and maximises the capacity of provincial departments and municipalities to deliver services in the context of limited resources. PT will pursue these objectives through the preparation and tabling of the annual provincial budget; assistance to municipalities in preparation of municipal budgets; through the annual

municipal and provincial budget assessments; and monitoring and quarterly reporting on budget implementation.

The focus for the 2023/24 MTEF will be to implement the WCG fiscal strategy which has four (4) pillars: protecting basic services, allocative efficiency, productive efficiency and ensuring fiscal sustainability. Also, to improve the budget process further, including through the PG-MTEC process, in particular through Integrated Management under the auspices of the Innovation and Governance component of the provincial strategic plan.

PT will continue to closely monitor municipal finances and provide advice and support to municipalities facing financial challenges, while supporting growth and development across all municipalities, with a particular focus on responding to the energy crisis. PT will also continue to advocate for the further reform of national policy to enable municipalities to better deliver their mandates.

Effective, efficient and well-institutionalised structures to give effect to the infrastructure Growth strategy of the WCG.

Active participation and policy developments given proposed changes to the National Gambling Regulations as it relates to electronic monitoring and the LPM industry.

Changes: Policy, structure, service establishment, geographic distribution of services, etc.

Infrastructure changes:

The Framework for the Western Cape IDMS for the Health and Education Sectors dated 15 March 2011, as a policy instrument to improve educational and health infrastructure delivery was repealed in the 2022/23 financial year, with effect from 1 September 2022.

The amendment of prior Cabinet resolutions where “an agreement at the top management level was endorsed to designate the Department of Transport and Public Works as the preferred implementing agent for capital infrastructure development and maintenance in the PGWC”.

Provincial Treasury Instruction 16B dated 28 March 2012, including the Standard for a Construction Procurement System and the Standard for an IDMS dated 1 April 2012, was repealed in the 2022/23 financial year, effective from 1 September 2022.

Way forward:

The applicable regulatory framework is the National Treasury Instruction No. 3 of 2019/2020 relating to the FIDPM, the One IDMS, and the Standard for Uniformity in Engineering and Construction Works Contracts as issued by the Construction Industry Development Board in August 2019.

Outcomes as per Strategic Plan

Programme 2: Sustainable Resource Management

Integrated planning, budgeting and implementation for sustainable management of provincial and municipal fiscal resources.

Outputs as per Annual Performance Plan**Sub-programme 2.2: Fiscal Policy**

Research reports on the Provincial and Local Government Fiscal System.

Sub-programme 2.3: Budget Management***Provincial Government Budget Office***

Provincial budget policy assessment reports.

Provincial Budget and Economic Publications.

Local Government Budget Office

Socio-economic intelligence publications.

Sub-programme 2.4: Public Finance***Provincial Government Finance***

Provincial budget assessment reports.

Provincial budget publications.

Local Government Finance (Groups 1 and 2)

IYM assessment on the sustainable implementation of the municipal budget.

Infrastructure

Quarterly reports on the implementation of infrastructure budgets to Cabinet.

Business Information and Data Management

Budget process plans managed.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

Table 9.2 Summary of payments and estimates – Programme 2: Sustainable Resource Management

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
1. Programme Support	5 790	7 165	5 986	8 814	7 200	7 200	7 141	(0.82)	8 159	8 258
Programme Support	5 790	7 165	5 986	8 814	7 200	7 200	7 141	(0.82)	8 159	8 258
2. Fiscal Policy	52 301	41 265	38 439	42 384	42 475	42 475	41 595	(2.07)	42 978	46 179
Fiscal Policy	14 638	13 521	12 183	15 384	17 399	17 399	14 733	(15.32)	18 392	20 494
Western Cape Gambling and Racing Board	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
3. Budget Management	23 509	17 635	21 719	20 052	19 074	19 169	20 248	5.63	21 080	21 410
Provincial Government Budget Office	9 470	7 377	9 582	8 438	8 641	8 641	9 152	5.91	9 281	9 435
Local Government Budget Office	14 039	10 258	12 137	11 614	10 433	10 528	11 096	5.40	11 799	11 975
4. Public Finance	55 738	49 782	45 891	72 987	59 230	59 135	70 172	18.66	79 140	81 049
Provincial Government Finance	11 426	11 350	10 563	10 938	11 918	11 918	12 131	1.79	11 847	11 940
Local Government Finance Group 1	10 457	7 656	6 442	8 217	10 792	10 697	12 100	13.12	8 740	8 860
Local Government Finance Group 2	15 113	10 859	9 270	31 616	14 724	14 724	15 011	1.95	13 441	13 834
Infrastructure	8 363	7 545	7 046	9 081	6 681	6 681	9 950	48.93	11 194	11 387
Business Information and Data Management	10 159	11 310	11 492	11 396	11 628	11 628	12 019	3.36	12 412	12 635
MFMA Coordination	220	1 062	1 078	1 739	3 487	3 487	8 961	156.98	21 506	22 393
Total payments and estimates	137 338	115 847	112 035	144 237	127 979	127 979	139 156	8.73	151 357	156 896

Note: Sub-programme 2.2: Economic Analysis as per the National Treasury uniform budget and programme structure, is subsumed as part of the Budget Office function.

Table 9.2.1 Summary of payments and estimates by economic classification – Programme 2: Sustainable Resource Management

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Current payments	86 133	80 524	80 976	96 085	91 350	91 350	97 584	6.82	105 511	109 088
Compensation of employees	72 364	71 913	72 999	81 170	78 150	78 099	81 412	4.24	85 660	86 730
Goods and services	13 769	8 611	7 977	14 915	13 200	13 251	16 172	22.04	19 851	22 358
Transfers and subsidies to	51 205	35 323	31 059	48 152	36 629	36 629	41 572	13.49	45 846	47 808
Provinces and municipalities	13 385	4 500	4 298	21 152	10 780	10 780	14 710	36.46	21 260	22 123
Departmental agencies and accounts	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Households	157	3 079	505		773	773		(100.00)		
Total economic classification	137 338	115 847	112 035	144 237	127 979	127 979	139 156	8.73	151 357	156 896

Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Transfers and subsidies to (Current)	51 205	35 323	31 059	48 152	36 629	36 629	41 572	13.49	45 846	47 808
Provinces and municipalities	13 385	4 500	4 298	21 152	10 780	10 780	14 710	36.46	21 260	22 123
Municipalities	13 385	4 500	4 298	21 152	10 780	10 780	14 710	36.46	21 260	22 123
Municipal bank accounts	13 385	4 500	4 298	21 152	10 780	10 780	14 710	36.46	21 260	22 123
Departmental agencies and accounts	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Departmental agencies (non-business entities)	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Western Cape Gambling and Racing Board	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Households	157	3 079	505		773	773		(100.00)		
Social benefits	157	3 079	505		773	773		(100.00)		

Note: Social benefits relate to leave gratuity paid out to former employees of the Department and pension penalties

Expenditure trends analysis

The Programme's budget increased by R11.177 million from the 2022/23 revised estimate of R127.979 million to R139.156 million in 2023/24 which equates to growth of 8.73 per cent. The growth relates mainly to the filling of critical vacant post and that the unallocated portion of the provincial priority funding for the Western Cape Financial Management Capability Grant is allocated under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised, thereafter it will be shifted, during the 2023 Adjusted Estimates, to the other programme(s).

Programme 3: Asset Management

Purpose: To provide policy direction and to facilitate and enforce the management of provincial financial systems, supply chain and movable asset management within the provincial and municipal spheres.

Analysis per sub-programme

Sub-programme 3.1: Programme Support

to provide management and administrative support to the programme

Sub-programme 3.2: Supply Chain Management

to provide policy direction and facilitating the management of supply chain and asset management practices

Sub-programme 3.3: Supporting and Interlinked Financial Systems

to provide for the implementation, management and oversight of provincially operated financial systems and transition to the IFMS

Policy developments

Policy developments that will receive further attention in 2023/24 are:

A technical review be undertaken, on the current procurement system in defining a legal way forward in the Province that focuses on value for money, appropriate redress and reforming the current procurement system over time, informed by policy directives from executive within the Province.

Emanating therefrom, further development of preferential procurement initiatives that can strengthen the preferential procurement policies of both departments and municipalities will be undertaken once technical reviews have been concluded and a way forward has been guided by the Executive. This will inform refinement of existing Provincial Treasury Instructions and the blueprint Accounting Officer's System for departments and also the development of further guidance to municipalities on strategic procurement.

Research and portfolio analysis on procurement of goods and services with a focus on attaining value for money outcomes for the Province.

Further enhancements and developments to the e-Procurement Solution and Procurement Planning Toolkit to improve on current measures in place to attain value for money purchasing in the Province.

Roll-out of SCM technology initiatives to municipalities in conjunction with the National Treasury.

Optimising the current suite of financial systems through business intelligence tools that support improved reporting and decision-making. Assisting National Treasury with the design and provincial readiness and preparatory work for the integrated and revamped IFMS.

Changes: Policy, structure, service establishment, geographic distribution of services, etc.

Will be determined as per commodity specific strategies already in place that will be utilised in provincial procurement processes.

Outcomes as per Strategic Plan

Programme 3: Asset Management

Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres.

Outputs as per Annual Performance Plan

Sub-programme 3.2: Supply Chain Management

Municipal districts assisted with standardised SCM and Asset Management business practices to continuously improve SCM and Asset Management (AM) maturity.

Assessment of operational client support function.

Municipal Procurement plans assessed to strengthen procurement strategies.

Sub-programme 3.3: Supporting and Interlinked Financial Systems

Provincial financial systems supported and maintained.

Evergreen Legacy Systems implemented.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

Table 9.3 Summary of payments and estimates – Programme 3: Asset Management

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- priation 2022/23	Adjusted appro- priation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
1. Programme Support	3 022	4 315	4 672	4 874	4 671	4 671	4 592	(1.69)	4 648	4 740
2. Supply Chain Management	34 191	29 516	35 421	39 549	41 138	41 138	38 547	(6.30)	35 950	33 573
Supply Chain Management: Provincial Government	26 292	21 752	24 757	27 781	27 795	27 795	25 079	(9.77)	25 668	23 059
Supply Chain Management: Local Government	7 899	7 764	10 664	11 768	13 343	13 343	13 468	0.94	10 282	10 514
3. Supporting and Interlinked Financial Systems	28 180	25 687	31 233	31 951	31 128	31 128	46 437	49.18	48 573	44 015
Total payments and estimates	65 393	59 518	71 326	76 374	76 937	76 937	89 576	16.43	89 171	82 328

Note: Sub-programme 3.2: Asset Management and Sub-programme 3.3: Liabilities Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Supply Chain Management.

Earmarked allocation:

Included in Sub-programme 3.3: Supporting and Interlinked Financial Systems is an earmarked allocation of R3 million in 2023/24, R3.500 million in 2024/25 and R2.500 million for the development and implementation of an integrated customer relationship management solution, that includes the automated processes that modernise reporting and auditing of systematic procedures.

Table 9.3.1 Summary of payments and estimates by economic classification – Programme 3: Asset Management

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Current payments	64 989	57 261	69 943	76 374	75 588	75 368	89 026	18.12	89 171	82 328
Compensation of employees	40 671	39 293	41 910	48 039	45 526	45 534	48 227	5.91	50 317	51 035
Goods and services	24 318	17 968	28 033	28 335	30 062	29 834	40 799	36.75	38 854	31 293
Transfers and subsidies to	404	2 257	1 383		1 349	1 569	550	(64.95)		
Provinces and municipalities					500	500	550	10.00		
Households	404	2 257	1 383		849	1 069		(100.00)		
Total economic classification	65 393	59 518	71 326	76 374	76 937	76 937	89 576	16.43	89 171	82 328

Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Transfers and subsidies to (Current)	404	2 257	1 383		1 349	1 569	550	(64.95)		
Provinces and municipalities					500	500	550	10.00		
Municipalities					500	500	550	10.00		
Municipal bank accounts					500	500	550	10.00		
Households	404	2 257	1 383		849	1 069		(100.00)		
Social benefits	404	2 257	1 378		849	1 069		(100.00)		
Other transfers to households			5							

Note: Social benefits relate to leave gratuity paid out to former employees of the Department and pension penalties

Expenditure trends analysis

The Programme's budget increased by R12.639 million from R76.937 million in 2022/23 (revised estimate) to R89.576 million in 2023/24 which equates to a growth of 16.4 per cent. The increase mainly relates to the provincial priority allocation to aid municipalities by developing human capacity and by providing financial aid to improve overall financial governance within municipalities which will be used for Asset Management, as well as provision for the PT Data Centre and PT Evergreen Legacy Systems. In addition, PT is receiving an earmarked allocation for the development and implementation of an integrated customer relationship management solution, that includes the automated processes that modernise reporting and auditing of systematic procedures.

Programme 4: Financial Governance

Purpose: To promote accountability and financial governance in departments, entities and municipalities.

Analysis per sub-programme

Sub-programme 4.1: Programme Support

to provide management and administrative support to the programme

Sub-programme 4.2: Accounting Services

Local Government Accounting

to improve the application of accounting standards and financial reporting within municipalities

Provincial Government Accounting and Compliance

to drive financial governance reforms, the implementation of accounting practices and prepare consolidated financial statements

Sub-programme 4.3: Corporate Governance

to strengthen corporate governance within the Province through the implementation of risk management, internal audit and compliance with financial norms and standards

Policy developments

Policy developments that will receive further attention in 2023/24 are:

The activities launched under the headings of the LG MTEC, PG MTEC, provincial governance engagements, and TIME processes will be improved further. These initiatives, which are aimed at supporting the existing policy frameworks, will be further refined. Further attention will be focussed on improved transparency in asset management reporting.

Changes: Policy, structure, service establishment, geographic distribution of services, etc.

None.

Outcomes as per Strategic Plan

Programme 4: Financial Governance

Governance transformation in departments, entities and municipalities improved.

Outputs as per Annual Performance Plan

Sub-programme 4.2: Accounting Services

Reconciliation of AFS and data strings on National Treasury LG Database to ensure credibility of audited financial data.

Publication and tabling of the ACFS.

Votes supported in the application of accounting frameworks and norms and standards.

Sub-programme 4.3: Corporate Governance

Oversight and monitoring of municipal financial governance provided to municipalities.

Municipalities supported through initiatives on municipal financial capacity building and training.

Accredited SAICA training programme.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

Table 9.4 Summary of payments and estimates – Programme 4: Financial Governance

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
1. Programme Support	8 822	6 785	7 480	7 450	9 066	9 066	7 788	(14.10)	8 644	8 693
Programme Support	4 439	2 035	2 192	2 358	3 676	3 676	2 440	(33.62)	2 481	2 517
CA Academy	4 383	4 750	5 288	5 092	5 390	5 390	5 348	(0.78)	6 163	6 176
2. Accounting Services	30 409	19 598	19 531	20 221	20 679	20 679	22 642	9.49	21 296	21 523
Provincial Government Accounting and Compliance	11 471	10 198	10 129	10 091	9 781	9 781	9 679	(1.04)	10 592	10 642
Local Government Accounting	18 938	9 400	9 402	10 130	10 898	10 898	12 963	18.95	10 704	10 881
3. Corporate Governance	28 546	24 051	24 118	14 068	22 026	22 026	14 443	(34.43)	14 567	14 743
Total payments and estimates	67 777	50 434	51 129	41 739	51 771	51 771	44 873	(13.32)	44 507	44 959

Note: Sub-programme 4.3: Norms and Standards and Sub-programme 4.4: Risk Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Corporate Governance.

Sub-programme 4.5: Provincial Internal Audit as per the National Treasury uniform budget and programme structure, was shifted to the Department of the Premier during the 2010/11 financial year.

Table 9.4.1 Summary of payments and estimates by economic classification – Programme 4: Financial Governance

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Current payments	42 362	38 699	40 092	40 923	42 844	42 782	42 373	(0.96)	44 507	44 959
Compensation of employees	35 252	36 057	36 908	37 749	37 722	37 673	38 564	2.37	40 703	41 117
Goods and services	7 110	2 642	3 184	3 174	5 122	5 109	3 809	(25.45)	3 804	3 842
Transfers and subsidies to	25 415	11 735	11 037	816	8 927	8 989	2 500	(72.19)		
Provinces and municipalities	24 191	11 288	10 490		8 218	8 218	2 500	(69.58)		
Households	1 224	447	547	816	709	771		(100.00)		
Total economic classification	67 777	50 434	51 129	41 739	51 771	51 771	44 873	(13.32)	44 507	44 959

Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Transfers and subsidies to (Current)	25 415	11 735	11 037	816	8 927	8 989	2 500	(72.19)		
Provinces and municipalities	24 191	11 288	10 490		8 218	8 218	2 500	(69.58)		
Municipalities	24 191	11 288	10 490		8 218	8 218	2 500	(69.58)		
Municipal bank accounts	24 191	11 288	10 490		8 218	8 218	2 500	(69.58)		
Households	1 224	447	547	816	709	771		(100.00)		
Social benefits	1 224	447	547	816	709	771		(100.00)		

Note: Social benefits relate to leave gratuity paid out to former employees of the Department and pension penalties

Expenditure trends analysis

The Programme's budget decreased by R6.898 million from R51.771 million in 2022/23 (revised estimate) to R44.873 million in 2023/24, this equates to a reduction of 13.32 per cent. The reduction relates to the provincial priority funding allocation for the Western Cape Financial Management Capability Grant; however, a portion of it remains unallocated at this stage under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised.

10. Other programme information

Personnel numbers and costs

Table 10.1 Personnel numbers and costs

Cost in R million	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF			
	2019/20		2020/21		2021/22		2022/23				2023/24		2024/25		2025/26		2022/23 to 2025/26			
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total	
Salary level																				
1 – 7	103	27 399	118	26 940	94	26 212	52	60	112	25 436	119	29 794	118	31 938	96	32 780	(5.0%)	8.8%	14.0%	
8 – 10	143	76 667	140	77 190	147	80 567	148		148	87 442	162	91 504	162	94 453	162	96 367	3.1%	3.3%	43.1%	
11 – 12	60	52 418	58	50 252	60	52 602	59		59	54 147	67	55 523	67	57 822	67	59 289	4.3%	3.1%	26.4%	
13 – 16	21	28 731	22	30 131	24	29 438	23	1	24	33 170	27	34 912	27	36 279	27	36 686	4.0%	3.4%	16.4%	
Other	7	590																		
Total	334	185 805	338	184 513	325	188 819	282	61	343	200 195	375	211 733	374	220 492	352	225 122	0.9%	4.0%	100.0%	
Programme																				
Administration Sustainable	101	37 518	106	37 250	86	37 002	57	49	106	38 889	112	43 530	111	43 812	89	46 240	(5.7%)	5.9%	20.1%	
Resource Management	104	72 364	104	71 913	105	72 999	105		105	78 099	117	81 412	117	85 660	117	86 730	3.7%	3.6%	38.7%	
Asset Management	68	40 671	65	39 293	75	41 910	73		73	45 534	80	48 227	80	50 317	80	51 035	3.1%	3.9%	22.8%	
Financial Governance	61	35 252	63	36 057	59	36 908	47	12	59	37 673	66	38 564	66	40 703	66	41 117	3.8%	3.0%	18.4%	
Total	334	185 805	338	184 513	325	188 819	282	61	343	200 195	375	211 733	374	220 492	352	225 122	0.9%	4.0%	100.0%	
Employee dispensation classification																				
Public Service Act appointees not covered by OSDs	289	176 399	275	176 280	284	181 703	282	1	283	192 970	311	201 167	311	209 133	311	213 254	3.2%	3.4%	95.2%	
Others such as interns, EPWP, learnerships, etc	45	9 406	63	8 233	41	7 116		60	60	7 225	64	10 566	63	11 359	41	11 868	(11.9%)	18.0%	4.8%	
Total	334	185 805	338	184 513	325	188 819	282	61	343	200 195	375	211 733	374	220 492	352	225 122	0.9%	4.0%	100.0%	

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment.

Training

Table 10.2 Information on training

Description	Outcome						Medium-term estimate			
	2019/20	2020/21	2021/22	Main appro- priation 2022/23	Adjusted appro- priation 2022/23	Revised estimate 2022/23	% Change from Revised estimate 2023/24	2022/23	2024/25	2025/26
Number of staff	334	338	325	391	350	343	375	9.33	374	352
Number of personnel trained	181	185	159	190	190	190	200	5.26	240	288
of which										
Male	84	81	62	82	82	82	79	(3.66)	95	114
Female	97	104	97	108	108	108	121	12.04	145	174
Number of training opportunities	494	491	375	495	224	224	278	24.11	331	396
of which										
Tertiary	133	17	39	20	18	18	22	22.22	26	32
Workshops	33	66	61	60	18	18	21	16.67	25	30
Seminars				10			10		10	10
Other	328	408	275	405	188	188	225	19.68	270	324
Number of bursaries offered	35	35	23	16	16	16	39	143.75	41	43
Number of interns appointed	60	60	32	15	30	30	36	20.00	42	48
Number of days spent on training	1 235	1 228	937	1 238	840	840	1 008	20.00	1 209	1 451
Payments on training by programme										
1. Administration	489	446	617	951	880	895	693	(22.57)	721	729
2. Sustainable Resource Management	254	72	418	812	800	838	423	(49.52)	442	446
3. Asset Management	211	144	302	480	452	446	255	(42.83)	265	268
4. Financial Governance	548	237	431	529	323	295	382	29.49	388	389
Total payments on training	1 502	899	1 768	2 772	2 455	2 474	1 753	(29.14)	1 816	1 832

Reconciliation of structural changes

None.

Table A.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	2023/24	% Change from Revised estimate 2022/23	2024/25	2025/26
Sales of goods and services other than capital assets	40	43	36	17	17	33	18	(45.45)	18	19
Sales of goods and services produced by department (excl. capital assets)	40	40	34	16	16	33	17	(48.48)	17	18
Other sales	40	40	34	16	16	33	17	(48.48)	17	18
Commission on insurance		34	33							
Other	40	6	1	16	16	33	17	(48.48)	17	18
Sales of scrap, waste, arms and other used current goods (excl. capital assets)		3	2	1	1		1		1	1
Transfers received from:				1	1		1		1	1
Households and non-profit institutions				1	1		1		1	1
Interest, dividends and rent on land	4	6	20	1	1	3	1	(66.67)	1	1
Interest	4	6	20	1	1	3	1	(66.67)	1	1
Sales of capital assets	85	1				67		(100.00)		
Other capital assets	85	1				67		(100.00)		
Financial transactions in assets and liabilities	5 942	19 677	7 565	61	61	3 077	64	(97.92)	68	71
Recovery of previous year's expenditure		7 573	7 146			2 601		(100.00)		
Unallocated credits		11								
Cash surpluses		11 852								
Other	5 942	241	419	61	61	476	64	(86.55)	68	71
Total departmental receipts	6 071	19 727	7 621	80	80	3 180	84	(97.36)	88	92

Note: Receipts from gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. V03: Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).

Annexure A to Vote 3

Table A.2 Summary of payments and estimates by economic classification

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate 2022/23	2023/24	2024/25	2025/26
Current payments	243 360	224 944	241 439	264 780	261 608	261 263	292 347	11.90	292 483	292 681
Compensation of employees	185 805	184 513	188 819	206 682	200 277	200 195	211 733	5.76	220 492	225 122
Salaries and wages	162 223	161 343	165 017	180 514	175 085	174 934	184 469	5.45	191 472	195 204
Social contributions	23 582	23 170	23 802	26 168	25 192	25 261	27 264	7.93	29 020	29 918
Goods and services	57 555	40 431	52 620	58 098	61 331	61 068	80 614	32.01	71 991	67 559
of which										
Administrative fees	3	4	3	3	1	1	(100.00)			
Advertising	1 389	871	819	799	734	868	715	(17.63)	715	715
Minor Assets	560	3	7		789	789	53	(93.28)	51	340
Audit cost: External	5 939	5 062	6 297	5 434	5 317	5 413	5 176	(4.38)	5 539	5 748
Bursaries: Employees	446	309	454	600	515	540	495	(8.33)	515	515
Catering: Departmental activities	400	82	61		513	506	233	(53.95)	233	233
Communication (G&S)	660	2 443	1 447	942	633	613	774	26.26	746	759
Computer services	9 991	3 280	8 436	5 356	9 008	8 948	23 323	160.65	24 274	15 153
Consultants and professional services: Business and advisory services	22 083	17 960	24 851	32 708	28 678	28 064	27 132	(3.32)	26 678	30 138
Legal costs	936	1 363	359	400	1 540	1 685	(100.00)			
Contractors	227	248	47	40	8	14	140	900.00	12	12
Agency and support/ outsourced services	1 771	4 017	3 916	4 027	4 046	3 795	3 937	3.74	4 036	4 121
Entertainment	94									
Fleet services (including government motor transport)	1 065	534	366	400	558	588	635	7.99	587	600
Consumable supplies	250	480	43	165	553	542	160	(70.48)	162	205
Consumable: Stationery, printing and office supplies	1 065	169	319	454	336	386	363	(5.96)	366	366
Operating leases	1 036	1 810	2 255	1 919	1 884	1 953	1 962	0.46	2 238	2 311
Property payments	45	313	192	252	339	339	9 669	2752.21	159	166
Transport provided: Departmental activity	7									
Travel and subsistence	5 248	72	302	1 460	2 121	2 019	2 304	14.12	2 324	2 580
Training and development	1 056	590	1 314	2 172	1 940	1 934	1 258	(34.95)	1 301	1 317
Operating payments	1 341	662	939	967	1 363	1 524	1 249	(18.04)	1 150	1 185
Venues and facilities	1 943	84	159		455	547	1 036	89.40	905	1 095
Rental and hiring		75	34							
Transfers and subsidies to	79 876	50 733	44 327	51 476	48 298	48 580	46 131	(5.04)	48 355	50 317
Provinces and municipalities	37 576	15 788	14 788	21 152	19 498	19 498	17 760	(8.91)	21 260	22 123
Municipalities	37 576	15 788	14 788	21 152	19 498	19 498	17 760	(8.91)	21 260	22 123
Municipal bank accounts	37 576	15 788	14 788	21 152	19 498	19 498	17 760	(8.91)	21 260	22 123
Departmental agencies and accounts	37 669	27 751	26 264	27 008	25 084	25 084	26 871	7.12	24 595	25 694
Departmental agencies (non-business entities)	37 669	27 751	26 264	27 008	25 084	25 084	26 871	7.12	24 595	25 694
South African Broadcasting Corporation (SABC)	6	7	8	8	8	8	9	12.50	9	9
Western Cape Gambling and Racing Board	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Households	4 631	7 194	3 275	3 316	3 716	3 998	1 500	(62.48)	2 500	2 500
Social benefits	2 247	5 882	2 462	816	2 393	2 679	(100.00)			
Other transfers to households	2 384	1 312	813	2 500	1 323	1 319	1 500	13.72	2 500	2 500
Payments for capital assets	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Machinery and equipment	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Transport equipment	1 270	1 615	1 471	1 464	1 420	1 452	1 746	20.25	1 594	1 709
Other machinery and equipment	4 197	33	2 710	3 890	7 257	7 257	450	(93.80)	450	4 297
Payments for financial assets	62	68	51		237	268	(100.00)			
Total economic classification	328 765	277 393	289 998	321 610	318 820	318 820	340 674	6.85	342 882	349 004

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Table A.2.1 Payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- priation 2022/23	Adjusted appro- priation 2022/23	Revised estimate 2022/23	% Change from Revised estimate 2023/24	2022/23	2024/25	2025/26
Current payments	49 876	48 460	50 428	51 398	51 826	51 763	63 364	22.41	53 294	56 306
Compensation of employees	37 518	37 250	37 002	39 724	38 879	38 889	43 530	11.93	43 812	46 240
Salaries and wages	33 489	32 940	32 638	35 067	34 394	34 382	38 635	12.37	38 556	40 816
Social contributions	4 029	4 310	4 364	4 657	4 485	4 507	4 895	8.61	5 256	5 424
Goods and services	12 358	11 210	13 426	11 674	12 947	12 874	19 834	54.06	9 482	10 066
<i>of which</i>										
Administrative fees	3	4	3	3	1	1		(100.00)		
Advertising	1 078	765	604	599	554	599	615	2.67	615	615
Minor Assets	560	3	7		789	789	53	(93.28)	51	340
Audit cost: External	4 178	3 206	4 555	3 784	3 438	3 438	3 326	(3.26)	3 689	3 859
Bursaries: Employees	446	309	454	600	515	540	495	(8.33)	515	515
Catering: Departmental activities	22	82	1		117	117	70	(40.17)	70	70
Communication (G&S)	346	763	470	391	217	212	211	(0.47)	209	223
Computer services	1 208	1 056	1 441	1 292	888	829	1 201	44.87	1 301	1 338
Consultants and professional services: Business and advisory services	989	2 690	4 119	3 017	3 496	3 420	2 175	(36.40)	634	637
Legal costs	4				46	46		(100.00)		
Contractors	144	240	47	40	8	14	140	900.00	12	12
Agency and support/ outsourced services	37									
Entertainment	10									
Fleet services (including government motor transport)	1 065	534	366	400	558	588	635	7.99	587	600
Consumable supplies	174	470	35	58	464	460	60	(86.96)	60	103
Consumable: Stationery, printing and office supplies	285	5	45	130	93	117	86	(26.50)	87	87
Operating leases	299	605	725	483	613	560	334	(40.36)	669	672
Property payments		2	26		123	123	9 500	7623.58		
Transport provided: Departmental activity	7									
Travel and subsistence	812	22	38	198	185	171	302	76.61	307	311
Training and development	43	137	163	351	365	355	198	(44.23)	206	214
Operating payments	314	242	293	328	310	320	290	(9.38)	320	320
Venues and facilities	334				167	175	143	(18.29)	150	150
Rental and hiring		75	34							
Transfers and subsidies to	2 852	1 418	848	2 508	1 393	1 393	1 509	8.33	2 509	2 509
Departmental agencies and accounts	6	7	8	8	8	8	9	12.50	9	9
Departmental agencies (non-business entities)	6	7	8	8	8	8	9	12.50	9	9
South African Broadcasting Corporation (SABC)	6	7	8	8	8	8	9	12.50	9	9
Households	2 846	1 411	840	2 500	1 385	1 385	1 500	8.30	2 500	2 500
Social benefits	462	99	32		62	66		(100.00)		
Other transfers to households	2 384	1 312	808	2 500	1 323	1 319	1 500	13.72	2 500	2 500
Payments for capital assets	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Machinery and equipment	5 467	1 648	4 181	5 354	8 677	8 709	2 196	(74.78)	2 044	6 006
Transport equipment	1 270	1 615	1 471	1 464	1 420	1 452	1 746	20.25	1 594	1 709
Other machinery and equipment	4 197	33	2 710	3 890	7 257	7 257	450	(93.80)	450	4 297
Payments for financial assets	62	68	51		237	268		(100.00)		
Total economic classification	58 257	51 594	55 508	59 260	62 133	62 133	67 069	7.94	57 847	64 821

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Table A.2.2 Payments and estimates by economic classification – Programme 2: Sustainable Resource Management

Economic classification R'000	Outcome						Medium-term estimate			
				Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Current payments	86 133	80 524	80 976	96 085	91 350	91 350	97 584	6.82	105 511	109 088
Compensation of employees	72 364	71 913	72 999	81 170	78 150	78 099	81 412	4.24	85 660	86 730
Salaries and wages	63 645	62 985	63 903	71 120	68 440	68 416	71 105	3.93	74 664	75 435
Social contributions	8 719	8 928	9 096	10 050	9 710	9 683	10 307	6.44	10 996	11 295
Goods and services	13 769	8 611	7 977	14 915	13 200	13 251	16 172	22.04	19 851	22 358
of which										
Advertising	311	106	215	200	180	269	100	(62.83)	100	100
Audit cost: External	817	922	744	850	800	800	850	6.25	850	889
Catering: Departmental activities	201		28		138	86	64	(25.58)	64	64
Communication (G&S)	176	759	467	324	219	196	321	63.78	316	316
Computer services	542	155		255	255	255	455	78.43	255	266
Consultants and professional services: Business and advisory services	6 975	5 541	4 611	10 658	7 361	7 106	11 695	64.58	15 678	18 001
Legal costs	406	447	339	400	1 400	1 400		(100.00)		
Agency and support/ outsourced services	112	55	109		19	55		(100.00)		
Entertainment	42									
Consumable supplies	32	8	6	61	47	44	56	27.27	57	57
Consumable: Stationery, printing and office supplies	477	163	249	225	196	216	216		218	218
Travel and subsistence	2 166	28	122	630	851	851	1 007	18.33	1 013	1 109
Training and development	254	72	418	812	800	838	423	(49.52)	442	446
Operating payments	929	355	546	500	909	1 060	815	(23.11)	686	720
Venues and facilities	329		123		25	75	170	126.67	172	172
Transfers and subsidies to	51 205	35 323	31 059	48 152	36 629	36 629	41 572	13.49	45 846	47 808
Provinces and municipalities	13 385	4 500	4 298	21 152	10 780	10 780	14 710	36.46	21 260	22 123
Municipalities	13 385	4 500	4 298	21 152	10 780	10 780	14 710	36.46	21 260	22 123
Municipal bank accounts	13 385	4 500	4 298	21 152	10 780	10 780	14 710	36.46	21 260	22 123
Departmental agencies and accounts	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Departmental agencies (non- business entities)	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Western Cape Gambling and Racing Board	37 663	27 744	26 256	27 000	25 076	25 076	26 862	7.12	24 586	25 685
Households	157	3 079	505		773	773		(100.00)		
Social benefits	157	3 079	505		773	773		(100.00)		
Total economic classification	137 338	115 847	112 035	144 237	127 979	127 979	139 156	8.73	151 357	156 896

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Table A.2.3 Payments and estimates by economic classification – Programme 3: Asset Management

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- priation 2022/23	Adjusted appro- priation 2022/23	Revised estimate 2022/23	% Change from Revised estimate 2022/23	2023/24	2024/25	2025/26
Current payments	64 989	57 261	69 943	76 374	75 588	75 368	89 026	18.12	89 171	82 328
Compensation of employees	40 671	39 293	41 910	48 039	45 526	45 534	48 227	5.91	50 317	51 035
Salaries and wages	33 867	33 632	35 925	41 181	38 979	38 917	40 865	5.01	42 495	42 923
Social contributions	6 804	5 661	5 985	6 858	6 547	6 617	7 362	11.26	7 822	8 112
Goods and services	24 318	17 968	28 033	28 335	30 062	29 834	40 799	36.75	38 854	31 293
of which										
Catering: Departmental activities	39		5		134	134	40	(70.15)	40	40
Communication (G&S)	60	475	258	125	110	115	140	21.74	125	125
Computer services	8 236	1 900	6 939	3 809	7 865	7 864	21 417	172.34	22 468	13 299
Consultants and professional services: Business and advisory services	10 480	8 949	14 860	17 847	15 016	14 868	12 231	(17.74)	9 210	10 344
Legal costs	526	916	6		94	239		(100.00)		
Contractors	82	8								
Agency and support/ outsourced services	1 622	3 935	3 807	4 027	4 027	3 740	3 937	5.27	4 036	4 121
Entertainment	20									
Consumable supplies	29		2	29	25	21	27	28.57	28	28
Consumable: Stationery, printing and office supplies	222	1	17	65	26	31	38	22.58	38	38
Operating leases	737	1 205	1 530	1 436	1 271	1 393	1 628	16.87	1 569	1 639
Property payments	45	311	166	252	216	216	169	(21.76)	159	166
Travel and subsistence	1 207	3	83	265	563	470	457	(2.77)	466	595
Training and development	211	144	302	480	452	446	255	(42.83)	265	268
Operating payments	3	37	22							
Venues and facilities	799	84	36		263	297	460	54.88	450	630
Transfers and subsidies to	404	2 257	1 383		1 349	1 569	550	(64.95)		
Provinces and municipalities					500	500	550	10.00		
Municipalities					500	500	550	10.00		
Municipal bank accounts					500	500	550	10.00		
Households	404	2 257	1 383		849	1 069		(100.00)		
Social benefits	404	2 257	1 378		849	1 069		(100.00)		
Other transfers to households			5							
Total economic classification	65 393	59 518	71 326	76 374	76 937	76 937	89 576	16.43	89 171	82 328

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Table A.2.4 Payments and estimates by economic classification – Programme 4: Financial Governance

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- priation 2022/23	Adjusted appro- priation 2022/23	Revised estimate 2022/23	% Change from Revised estimate 2022/23	2023/24	2024/25	2025/26
Current payments	42 362	38 699	40 092	40 923	42 844	42 782	42 373	(0.96)	44 507	44 959
Compensation of employees	35 252	36 057	36 908	37 749	37 722	37 673	38 564	2.37	40 703	41 117
Salaries and wages	31 222	31 786	32 551	33 146	33 272	33 219	33 864	1.94	35 757	36 030
Social contributions	4 030	4 271	4 357	4 603	4 450	4 454	4 700	5.52	4 946	5 087
Goods and services	7 110	2 642	3 184	3 174	5 122	5 109	3 809	(25.45)	3 804	3 842
of which										
Audit cost: External	944	934	998	800	1 079	1 175	1 000	(14.89)	1 000	1 000
Catering: Departmental activities	138		27		124	169	59	(65.09)	59	59
Communication (G&S)	78	446	252	102	87	90	102	13.33	96	95
Computer services	5	169	56				250		250	250
Consultants and professional services: Business and advisory services	3 639	780	1 261	1 186	2 805	2 670	1 031	(61.39)	1 156	1 156
Legal costs			14							
Contractors	1									
Agency and support/ outsourced services		27								
Entertainment	22									
Consumable supplies	15	2		17	17	17	17		17	17
Consumable: Stationery, printing and office supplies	81		8	34	21	22	23	4.55	23	23
Travel and subsistence	1 063	19	59	367	522	527	538	2.09	538	565
Training and development	548	237	431	529	323	295	382	29.49	388	389
Operating payments	95	28	78	139	144	144	144		144	145
Venues and facilities	481						263		133	143
Transfers and subsidies to	25 415	11 735	11 037	816	8 927	8 989	2 500	(72.19)		
Provinces and municipalities	24 191	11 288	10 490		8 218	8 218	2 500	(69.58)		
Municipalities	24 191	11 288	10 490		8 218	8 218	2 500	(69.58)		
Municipal bank accounts	24 191	11 288	10 490		8 218	8 218	2 500	(69.58)		
Households	1 224	447	547	816	709	771		(100.00)		
Social benefits	1 224	447	547	816	709	771		(100.00)		
Total economic classification	67 777	50 434	51 129	41 739	51 771	51 771	44 873	(13.32)	44 507	44 959

Table A.3 Details on public entities – Name of Public Entity: Western Cape Gambling and Racing Board

R thousand	Audited outcome	Audited outcome	Actual outcome	Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2025/26
Revenue									
Non-tax revenue	79 706	72 939	74 686	71 527	71 527	71 527	108 333	76 090	78 469
Sale of goods and services other than capital assets	40 128	43 968	46 728	43 519	45 443	45 443	48 326	49 812	51 016
Entity revenue other than sales	1 719	1 228	1 702	1 008	1 008	1 008	1 620	1 692	1 768
Transfers received	37 663	27 744	26 256	27 000	25 076	25 076	58 387	24 586	25 685
of which:									
Departmental transfers	37 663	27 744	26 256	27 000	25 076	25 076	26 862	24 586	25 685
Other transfers	-	-	-	-	-	-	31 525	-	-
Other non-tax revenue	196	-	-	-	-	-	-	-	-
Total revenue before deposits into the PRF	79 706	72 939	74 686	71 527	71 527	71 527	108 333	76 090	78 469
Total revenue	79 706	72 939	74 686	71 527	71 527	71 527	108 333	76 090	78 469
Expenses									
Current expense	60 313	51 913	57 880	67 306	67 306	67 306	74 278	73 940	75 885
Compensation of employees	46 610	44 537	47 550	50 868	50 868	50 868	50 958	53 990	55 069
Goods and services	13 703	7 376	10 330	16 438	16 438	16 438	23 320	19 950	20 816
Payments for capital assets	6 595	1 247	1 920	4 221	4 221	4 221	34 055	2 150	2 584
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	66 908	53 160	59 800	71 527	71 527	71 527	108 333	76 090	78 469
Surplus / (Deficit)	12 798	19 779	14 886	-	-	-	-	-	-
Adjustments for Surplus/(Deficit)									
Net of Gain on asset and disposal & loss on actuarial valuations	312	-	-	-	-	-	-	-	-
Capital assets	6 595	-	-	-	-	-	-	-	-
Depreciation & Amortisation	(1 324)	-	-	-	-	-	-	-	-
Surplus/(deficit) after adjustments	18 381	19 779	14 886	-	-	-	-	-	-
Cash flow from investing activities	(6 542)	(1 231)	(1 920)	(4 297)	(4 297)	(4 297)	(6 489)	(4 670)	(4 879)
Acquisition of Assets	(6 596)	(1 251)	(1 920)	(4 318)	(4 318)	(4 318)	(6 511)	(4 693)	(4 903)
Computer equipment	(367)	(33)	(1 177)	(2 523)	(2 523)	(2 523)	(2 636)	(2 754)	(2 877)
Furniture and Office equipment	(2 082)	(42)	(67)	(445)	(445)	(445)	(2 465)	(465)	(486)
Transport Assets	(602)	-	-	-	-	-	-	-	-
Computer Software	(3 545)	(1 176)	(676)	(1 350)	(1 350)	(1 350)	(1 410)	(1 474)	(1 540)
Other flows from Investing Activities	54	20	-	21	21	21	22	23	24
Other ¹	54	20	-	21	21	21	22	23	24
Cash flow from financing activities	820	(1 000)	2 148	(1 048)	(1 048)	(1 048)	(1 094)	(1 143)	(1 194)
Other	820	(1 000)	2 148	(1 048)	(1 048)	(1 048)	(1 094)	(1 143)	(1 194)
Net increase / (decrease) in cash and cash equivalents	(5 722)	(2 231)	228	(5 345)	(5 345)	(5 345)	(7 583)	(5 813)	(6 073)
Balance Sheet Data									
Carrying Value of Assets	8 502	8 241	8 555	5 755	5 755	5 755	6 008	6 278	6 558
Computer equipment	1 164	713	1 485	1 677	1 677	1 677	1 751	1 830	1 912
Furniture and Office equipment	2 194	1 819	1 477	472	472	472	493	515	538
Other Machinery and equipment	98	83	-	210	210	210	219	229	239
Transport Assets	1 242	937	624	1 258	1 258	1 258	1 313	1 372	1 433
Computer Software	-	4 651	4 942	2 096	2 096	2 096	2 188	2 286	2 388
Other Intangibles	3 804	38	27	42	42	42	44	46	48
Investments	10 000	-	-	-	-	-	-	-	-
Current	10 000	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	36 060	56 046	42 790	31 440	31 440	31 440	32 824	34 301	35 837
Bank	11 757	26 998	42 790	6 288	6 288	6 288	6 565	6 860	7 167
Cash on Hand	6	-	-	-	-	-	-	-	-
Other	24 297	29 048	-	25 152	25 152	25 152	26 259	27 441	28 670
Receivables and Prepayments	29 247	38 415	44 625	1 572	1 572	1 572	1 641	1 715	1 792
Trade Receivables	27 867	37 363	43 790	1 048	1 048	1 048	1 094	1 143	1 194
Prepaid Expenses	1 380	1 052	835	524	524	524	547	572	598
Inventory	62	100	68	105	105	105	110	115	120
Other	62	100	68	105	105	105	110	115	120
Total Assets	83 871	102 802	96 038	38 872	38 872	38 872	40 583	42 409	44 307
Capital and Reserves	17 765	24 864	35 945	654	654	654	683	714	746
Accumulated Reserves	4 967	5 085	21 059	654	654	654	683	714	746
Surplus / (Deficit)	12 798	19 779	14 886	-	-	-	-	-	-
Post Retirement Benefits	7 090	9 135	4 973	6 707	6 707	6 707	7 002	7 317	7 645
Present value of Funded obligations	3 319	4 867	4 973	6 707	6 707	6 707	7 002	7 317	7 645
Other	3 771	4 268	-	-	-	-	-	-	-
Trade and Other Payables	46 117	62 117	66 408	6 288	6 288	6 288	6 565	6 860	7 167
Trade Payables	46 117	62 117	66 408	6 288	6 288	6 288	6 565	6 860	7 167
Funds Managed (e.g. Poverty Alleviation Fund)	22 877	26 551	24 000	25 152	25 152	25 152	26 259	27 441	28 670
Other	22 877	26 551	24 000	25 152	25 152	25 152	26 259	27 441	28 670

Note: For 2019/20 Transfer received includes an amount of R1.8 million retention of surplus funds from 2018/19.

For 2020/21 R1.800 million was allocated to the WCGRB in the 2020 Adjusted Estimates.

For 2019/20 Adjusted Appropriation and Revised Estimates: Departmental Transfers includes R571 000: Hollywood Sportbook refund for overpaid taxes to the Province.

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Table A.4 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Total departmental transfers/grants										
Category A	610	300	250		883	883	1 000	13.25		
City of Cape Town	610	300	250		883	883	1 000	13.25		
Category B	29 432	11 780	12 038		14 705	14 705	8 427	(42.69)		
Matzikama	710	300	1 091		779	779		(100.00)		
Cederberg	960	800	1 208		1 058	1 058	958	(9.45)		
Bergrivier	710	300	1 000		1 800	1 800	940	(47.78)		
Saldanha Bay	660	300	250		1 800	1 800	1 500	(16.67)		
Swartland	709	300	250		718	718		(100.00)		
Witzenberg	710	300	250		200	200	150	(25.00)		
Drakenstein	620	380	1 250		200	200	740	270.00		
Stellenbosch	635	300	800		300	300		(100.00)		
Breede Valley	1 460	1 300	250		200	200		(100.00)		
Langeberg	709	300	800		800	800		(100.00)		
Theewaterskloof	1 084	300	250		1 350	1 350		(100.00)		
Overstrand	380	300	400		300	300		(100.00)		
Cape Agulhas	1 780	300	399		300	300		(100.00)		
Swellendam	709	300	890		200	200		(100.00)		
Kannaland	5 531	300	250		100	100		(100.00)		
Hessequa	710	300	250		300	300		(100.00)		
Mossel Bay	660	300	400		300	300		(100.00)		
George	1 135	800	250		1 450	1 450	1 000	(31.03)		
Oudtshoorn	1 852	300	250		700	700	2 000	185.71		
Bitou	710	300	250		800	800	500	(37.50)		
Knysna	1 443	800	250		550	550	639	16.18		
Laingsburg	1 505	1 300	350		100	100		(100.00)		
Prince Albert	1 715	300	350		300	300		(100.00)		
Beaufort West	2 335	1 300	350		100	100		(100.00)		
Category C	7 534	3 708	2 500		1 500	1 500	500	(66.67)		
West Coast District Municipality	860	700	750		200	200		(100.00)		
Cape Winelands District Municipality	660									
Overberg District Municipality	1 310	300	400		800	800	500	(37.50)		
Garden Route District Municipality	3 520	2 408	1 000		300	300		(100.00)		
Central Karoo District Municipality	1 184	300	350		200	200		(100.00)		
Unallocated				21 152	2 410	2 410	7 833	225.02	21 260	22 123
Total transfers to local government	37 576	15 788	14 788	21 152	19 498	19 498	17 760	(8.91)	21 260	22 123

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF especially support to the most vulnerable municipalities. Over the MTEF, the priority allocations amounting to R17.760 million in 2023/24, R21.610 million in 2024/25 and R22.123 million in 2025/26 have been reserved for diverse financial support to municipalities. A portion of the 2023/24 amount and the full amounts for 2024/25 and 2025/26 are unallocated at this stage for the Western Cape Financial Management Capability Grant. The amounts for the Municipal Financial Recovery Services Grant are unallocated at this stage. It will be allocated in the respective Adjusted Estimates and based on the outcomes and recommendations of the municipal engagements as well as the outcome of the Annual Financial Statements.

Table A.4.1 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change			
	2019/20	2020/21	2021/22	app- ropriation 2022/23	pro- priation 2022/23	estimate 2022/23	2023/24	2022/23	2024/25	2025/26
Western Cape Financial Management Support Grant	21 361	7 088	6 938							
Category A	230									
City of Cape Town	230									
Category B	15 495	4 580	5 588							
Matzikama	330		841							
Cederberg	580	500	958							
Bergrivier	330		600							
Saldanha Bay	280									
Swartland	330									
Witzenberg	330									
Drakenstein	240	80	1 000							
Stellenbosch	255		550							
Breede Valley	1 080	1 000								
Langeberg	330		550							
Theewaterskloof	704									
Cape Agulhas	1 400		149							
Swellendam	330		640							
Kannaland	330									
Hessequa	330									
Mossel Bay	280									
George	755	500								
Oudtshoorn	1 472									
Bitou	330									
Knysna	1 064	500								
Laingsburg	1 125	1 000	100							
Prince Albert	1 335		100							
Beaufort West	1 955	1 000	100							
Category C	5 636	2 508	1 350							
West Coast District Municipality	480	400	500							
Cape Winelands District Municipality	280									
Overberg District Municipality	930									
Garden Route District Municipality	3 141	2 108	750							
Central Karoo District Municipality	805		100							

Note: The Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure in 2022/23 (Western Cape Financial Management Capability Grant) that will continue to provide support to municipalities and attain the set objectives.

Annexure A to Vote 3

Table A.4.2 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Western Cape Financial Management Capacity Building Grant	11 394	8 700	7 850							
Category A	380	300	250							
City of Cape Town	380	300	250							
Category B	9 116	7 200	6 450							
Matzikama	380	300	250							
Cederberg	380	300	250							
Bergrivier	380	300	400							
Saldanha Bay	380	300	250							
Swartland	379	300	250							
Witzenberg	380	300	250							
Drakenstein	380	300	250							
Stellenbosch	380	300	250							
Breede Valley	380	300	250							
Langeberg	379	300	250							
Theewaterskloof	380	300	250							
Overstrand	380	300	400							
Cape Agulhas	380	300	250							
Swellendam	379	300	250							
Kannaland	380	300	250							
Hessequa	380	300	250							
Mossel Bay	380	300	400							
George	380	300	250							
Oudtshoorn	380	300	250							
Bitou	380	300	250							
Knysna	379	300	250							
Laingsburg	380	300	250							
Prince Albert	380	300	250							
Beaufort West	380	300	250							
Category C	1 898	1 200	1 150							
West Coast District Municipality	380	300	250							
Cape Winelands District Municipality	380									
Overberg District Municipality	380	300	400							
Garden Route District Municipality	379	300	250							
Central Karoo District Municipality	379	300	250							

Note: The Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure in 2022/23 (Western Cape Financial Management Capability Grant) that will continue to provide support to municipalities and attain the set objectives.

Annexure A to Vote 3

Table A.4.3 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Western Cape Financial Management Capability Grant				18 759	17 505	17 505	15 760	(9.97)	19 260	20 123
Category A					883	883	1 000	13.25		
City of Cape Town					883	883	1 000	13.25		
Category B					14 705	14 705	8 427	(42.69)		
Matzikama					779	779		(100.00)		
Cederberg					1 058	1 058	958	(9.45)		
Bergvliet					1 800	1 800	940	(47.78)		
Saldanha Bay					1 800	1 800	1 500	(16.67)		
Swartland					718	718		(100.00)		
Witzenberg					200	200	150	(25.00)		
Drakenstein					200	200	740	270.00		
Stellenbosch					300	300		(100.00)		
Breede Valley					200	200		(100.00)		
Langeberg					800	800		(100.00)		
Theewaterskloof					1 350	1 350		(100.00)		
Overstrand					300	300		(100.00)		
Cape Agulhas					300	300		(100.00)		
Swellendam					200	200		(100.00)		
Kannaland					100	100		(100.00)		
Hessequa					300	300		(100.00)		
Mossel Bay					300	300		(100.00)		
George					1 450	1 450	1 000	(31.03)		
Oudtshoorn					700	700	2 000	185.71		
Bitou					800	800	500	(37.50)		
Knysna					550	550	639	16.18		
Laingsburg					100	100		(100.00)		
Prince Albert					300	300		(100.00)		
Beaufort West					100	100		(100.00)		
Category C					1 500	1 500	500	(66.67)		
West Coast District Municipality					200	200		(100.00)		
Overberg District Municipality					800	800	500	(37.50)		
Garden Route District Municipality					300	300		(100.00)		
Central Karoo District Municipality					200	200		(100.00)		
Unallocated				18 759	417	417	5 833	1298.80	19 260	20 123

Note: The Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure in 2022/23 (Western Cape Financial Management Capability Grant) that will continue to provide support to municipalities and attain the set objectives.

Table A.4.4 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Western Cape Municipal Financial Recovery Services Grant	4 821			2 393	1 993	1 993	2 000	0.35	2 000	2 000
Category B	4 821									
Kannaland	4 821									
Unallocated				2 393	1 993	1 993	2 000	0.35	2 000	2 000

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially support to the most vulnerable municipalities. R2 million have been reserved over the 2023 MTEF for diverse financial support to municipalities. The amounts are unallocated at this stage which will be allocated in the respective Adjusted Estimates and based on the outcomes and recommendations of the municipal engagements.

Table A.5 Provincial payments and estimates by district and local municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Cape Town Metro	328 765	277 393	289 998	321 610	318 820	318 820	340 674	6.85	342 882	349 004
Total provincial expenditure by district and local municipality	328 765	277 393	289 998	321 610	318 820	318 820	340 674	6.85	342 882	349 004

Table A.5.1 Provincial payments and estimates by district and local municipality – Programme 1: Administration

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2019/20	Audited 2020/21	Audited 2021/22	Main appro- piation 2022/23	Adjusted appro- piation 2022/23	Revised estimate 2022/23	% Change from Revised estimate			
							2023/24	2022/23	2024/25	2025/26
Cape Town Metro	58 257	51 594	55 508	59 260	62 133	62 133	67 069	7.94	57 847	64 821
Total provincial expenditure by district and local municipality	58 257	51 594	55 508	59 260	62 133	62 133	67 069	7.94	57 847	64 821

Annexure A to Vote 3

Table A.5.2 Provincial payments and estimates by district and local municipality – Programme 2: Sustainable Resource Management

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Cape Town Metro	137 338	115 847	112 035	144 237	127 979	127 979	139 156	8.73	151 357	156 896
Total provincial expenditure by district and local municipality	137 338	115 847	112 035	144 237	127 979	127 979	139 156	8.73	151 357	156 896

Table A.5.3 Provincial payments and estimates by district and local municipality – Programme 3: Asset Management

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Cape Town Metro	65 393	59 518	71 326	76 374	76 937	76 937	89 576	16.43	64 514	70 985
Total provincial expenditure by district and local municipality	65 393	59 518	71 326	76 374	76 937	76 937	89 576	16.43	89 171	82 328

Table A.5.4 Provincial payments and estimates by district and local municipality – Programme 4: Financial Governance

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2022/23	2024/25	2025/26
Cape Town Metro	67 777	50 434	51 129	41 739	51 771	51 771	44 873	(13.32)	49 615	49 967
Total provincial expenditure by district and local municipality	67 777	50 434	51 129	41 739	51 771	51 771	44 873	(13.32)	44 507	44 959